



DUMFRIES BAPTIST CHURCH

**DEACONS' REPORT AND CONSOLIDATED
FINANCIAL STATEMENTS**

30TH JUNE 2023

COMPANY REGISTRATION NUMBER:- SC534991

CHARITY REGISTRATION NUMBER:- SC021258

CARSON & TROTTER

**CHARTERED ACCOUNTANTS
123 IRISH STREET
DUMFRIES
DG1 2PE**

Dumfries Baptist Church
(Company Limited By Guarantee)

Charity information

Deacons	A Purss L Mackay E Moss J Muir I Penn A Rideout J Thomson E Paterson H. Kneeshaw F. McFaul P. Proctor F. Dorrans G. Hamilton
Directors	L Mackay I Penn A Purss
Treasurer	I Penn
Charity number	SC021258
Company number	SC534991
Registered office	123 Irish Street Dumfries DG1 2PE
Church office	Gillbrae Road Dumfries DG1 4EJ
Auditors	Carson & Trotter Chartered Accountants 123 Irish Street Dumfries DG1 2PE

Dumfries Baptist Church
(Company Limited By Guarantee)

Contents

	Page
Directors' report	1 - 2
Deacons' report	3 - 5
Independent Auditor's report	6 - 9
Statement of financial activities - Group	10
Statement of financial activities - Parent	11
Statement of Financial Position (Balance Sheet)	12
Statement of Cash flows	13
Notes to the financial statements	14 - 25

Dumfries Baptist Church
(Company Limited By Guarantee)
Directors' report
for the year ended 30th June 2023

The directors present their report together with the audited consolidated financial statements of the charity and its subsidiary for the year ended 30th June 2023. The financial statements have been prepared in accordance with the accounting policies set out on page 14 and comply with the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the church's constitution and the Companies Act 2006. The deacons have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102).

Results

The results for the year are set out on page 10.

Directors of the company

The directors who served during the year unless otherwise stated are:

L Mackay
I Penn
A Purss

Statement of Directors' responsibilities

The directors of Dumfries Baptist Church are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements the directors are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP FRS102;
- 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 charitable company will continue in operation.

The directors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the church's constitution. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- we have taken all the steps that we ought to have taken as directors in order to make ourselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Dumfries Baptist Church
(Company Limited By Guarantee)
Directors' report
for the year ended 30th June 2023

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

This report was approved by the directors on 6th December 2023 and signed on their behalf by



I D Penn
Director

Dumfries Baptist Church
(Company Limited By Guarantee)
Deacons' report
for the year ended 30th June 2023

The Deacons present their report together with the audited financial statements of the Church for the year ended 30th June 2023.

Objectives and activities

Dumfries Baptist Church changed its status from an "Unincorporated Charity" to a "Company Limited by Guarantee with Charitable Status" with effect from July 1st 2016.

The object of the Charity is to support the work and advancement of the Baptist Church. The primary activities are the advancement of Christian faith in Dumfries & Galloway and throughout Scotland by means of teaching, worship & education; supporting agencies & individuals involved in Christian missionary work and the relief of poverty and other social needs; the support of a variety of organisations providing weekly activities for pre-school children, primary children, youth, adults and older people.

Volunteers

The congregation is very grateful to the many volunteers who assist in the running of its services and organisations and who help to keep the grounds and building in good repair.

Achievements and performance

Following the opening of the Centre in May 2018 the numbers attending services and many other activities had increased markedly. The Centre is proving a popular location not only for church activities but for the local community and other organisations. The recovery from the effects of Covid 19 is now complete but the knock on effects of the "cost of living" situation have affected the activities of the Church this year, particularly affecting some external use of the facilities. The Church had established a Food-bank activity serving some 40 families in Dumfries and this continues but with fewer families; this is funded by gifts from church members and some external grants.

The Appeal Fund received donations totalling £185,587 and £520 of interest in the year of which £165,243 was used to fully repay all outstanding loans. The remaining balance of £20,864 has been transferred to the General Fund and the Appeal Fund has been closed.

During the year Church received a further grant of £5,250 from Dumfries and Galloway Council, and a grant of £5,000 from the Julia and Hanns Rausing Trust towards the costs of the Food Parcel scheme.

Financial Review

The Financial Statements show a surplus after taxation for the year for the Group of £114,159 with the Church achieving a surplus of £122,145. The Operating Company made a loss for the year of £7,986. Total funds at the year end are £4,575,076 made up of £4,564,174 unrestricted funds and £10,902 restricted funds.

Risk management

The Deacons have examined the major strategic, business and operational risks which the Church faces and confirm that the necessary steps have been taken to lessen these risks particularly in respect of Covid 19.

Reserves policy

It is the policy of the Dumfries Baptist Church to maintain unrestricted funds, which are the free reserves of the charity, at a level which equates to approximately six months normal expenditure. This provides sufficient funds to cover administration costs while continuing to support the work and advancement of the Baptist Church. Unrestricted funds were maintained at a sufficient level during the period.

Plans for future

The re-establishment of activities restricted as a result of Covid 19 will be a major concern and the development of new links and new activities will also be attempted. Links with the Gillbrae Medical Centre and the local schools will continue to be enhanced and it is hoped that the Centre will continue to provide a suitable location for conferences for outside organisations.

Dumfries Baptist Church
(Company Limited By Guarantee)
Deacons' report
for the year ended 30th June 2023

Structure, governance and management

Dumfries Baptist Church is a company limited by guarantee incorporated on 1st July 2016. It is governed by its articles of association.

Decision making

The day to day management of the Charity is carried out by the pastors along with the treasurer and secretary. Wider reaching decisions are discussed by the Deacons and taken to the congregation for final decisions.

Recruitment, appointment & training

The Deacons are elected by the members of the congregation after assessing the potential contribution the individual could make. New deacons are briefed on the church procedures and informed of a trustees responsibility. Pay and remuneration of key management personnel is set by the Deacons and reviewed annually.

Reference and administrative details

Deacons

The Deacons who served during the year unless otherwise stated were as follows:

A. Purss	Lead Pastor
E. Paterson	Pastor for Evangelism and Discipleship
L. Mackay	Secretary
I. Penn	Treasurer
A. Mitra	(resigned August 2022)
E. Moss	
J. Muir	
K. Henderson	(resigned May 2023)
J. Thomson	
A. Rideout	
P. Proctor	
F. McFaul	
H. Kneeshaw	
F. Dorrans	(appointed May 2023)
G. Hamilton	(appointed May 2023)

Charity number: SC021258

Company number: SC534991

Registered office: 123 Irish Street, Dumfries, DG1 2PE

Place of Business: The Church Centre, Gillbrae Road, Dumfries, DG1 4EJ

Auditors: Carson & Trotter C.A, 123 Irish Street, Dumfries, DG1 2PE

Solicitors: Walker & Sharpe, 37 George Street, Dumfries, DG1 1EB

Dumfries Baptist Church
(Company Limited By Guarantee)
Deacons' report
for the year ended 30th June 2023

This report was approved by the Deacons on 6th December 2023 and signed on their behalf by



I D Penn
Treasurer

Dumfries Baptist Church
(Company Limited By Guarantee)

Independent auditor's report to the Deacons of Dumfries Baptist Church

We have audited the financial statements of Dumfries Baptist Church (the parental charitable company) and its subsidiary (the group) for the year ended 30th June 2023 which comprise the consolidated and charity Statement of Financial Activities, the group and parent charitable company balance sheets, and notes to the financial statements including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the group and parent charity's affairs as at 30th June 2023, and of the group's and parent charity's incoming resources and application of resources including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and Regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or parent Charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Deacons with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Directors' Report and the Deacons' Report, other than the financial statements and our auditor's report thereon. The Directors and the Deacons are responsible for the other information contained within their reports. Our opinion on the financial statements does not cover the other information and except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Dumfries Baptist Church
(Company Limited By Guarantee)

Independent auditor's report to the deacons of Dumfries Baptist Church continued

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report and deacons' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 1, the directors, who are also Deacons, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Dumfries Baptist Church
(Company Limited By Guarantee)

Independent auditor's report to the deacons of Dumfries Baptist Church continued

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, to detect material misstatements in respect of irregularities, including fraud. In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- Review of the financial statements disclosures and testing to supporting documentation to assess compliance with provision of relevant laws and regulations described as having a direct effect on the financial statements.
- Enquiring of management concerning actual and potential litigation and claims.
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- Detailed and re-performance testing of specific controls and calculations.
- Reading minutes of meetings of those charged with governance.
- In addressing the risk of management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgments made in making accounting estimates are indicative of a potential bias.
- The audit team remained alert to any indication of fraud or non-compliance with laws and regulations throughout the audit.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Dumfries Baptist Church
(Company Limited By Guarantee)

Independent auditor's report to the deacons of Dumfries Baptist Church continued

Use of our report

This report is made solely to the Company's Members and the Charity's Trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the Company's Members and the Charity's Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company's Members, the Charity and the Charity's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.



**Linda Brannock, BA CA, Senior Statutory Auditor
for and on behalf of Carson & Trotter, Chartered Accountants,
Statutory Auditors**

**123 Irish Street
Dumfries
DG1 2PE**

7th December 2023

**(Carson & Trotter Chartered Accountants is eligible to act as an auditor in terms of section 1212
of the Companies Act 2006)**

Dumfries Baptist Church
Company Limited by Guarantee

Consolidated Statement of Financial Activities
(Incorporating Consolidated Income and Expenditure Account)
for the year ended 30th June 2023

	Notes	Unrestricted Fund £	Restricted Fund £	Total Funds 2023 £	Total Funds 2022 £
Income and endowments from:					
Donations and legacies	2	263,428	207,354	470,782	422,508
Investments	3	2	520	522	17
Trading activities	4	210,712	-	210,712	200,839
Total income		474,142	207,874	682,016	623,364
Expenditure on:					
Charitable activities	5	316,775	11,382	328,157	327,224
Trading activities	4	239,700	-	239,700	210,165
Total expenditure		556,475	11,382	567,857	537,389
Net income/(expenditure)		(82,333)	196,492	114,159	85,975
Transfers between Funds	8	186,107	(186,107)	-	-
Net movement in funds		103,774	10,385	114,159	85,975
Reconciliation of funds:					
Total funds brought forward	17	4,481,400	517	4,481,917	4,395,942
Release of designated fund to subsidiary		(21,000)	-	(21,000)	-
Total funds carried forward	17	4,564,174	10,902	4,575,076	4,481,917

All income and expenditure derive from continuing activities.

The notes on pages 14 to 25 form an integral part of these financial statements.

Dumfries Baptist Church
(Company Limited By Guarantee)
Charity Statement of Financial Activities (incorporating Income and Expenditure Account)
for the year ended 30th June 2023

	Notes	Unrestricted Fund £	Restricted Fund £	Total Funds 2023 £	Total Funds 2022 £
Income and endowments from:					
Donations and legacies	2	242,428	207,354	449,782	414,795
Investments	3	-	520	520	17
Total income		<u>242,428</u>	<u>207,874</u>	<u>450,302</u>	<u>414,812</u>
Expenditure on:					
Charitable activities	5	316,775	11,382	328,157	328,837
Total expenditure		<u>316,775</u>	<u>11,382</u>	<u>328,157</u>	<u>328,837</u>
Net income/(expenditure)		<u>(74,347)</u>	<u>196,492</u>	<u>122,145</u>	<u>85,975</u>
Transfers between funds	8	186,107	(186,107)	-	-
Net movement in funds		<u>111,760</u>	<u>10,385</u>	<u>122,145</u>	<u>85,975</u>
Reconciliation of funds:					
Total funds brought forward		4,466,415	517	4,466,932	4,380,957
Release of designated fund to subsidiary		(21,000)	-	(21,000)	
Total funds carried forward		<u>4,557,175</u>	<u>10,902</u>	<u>4,568,077</u>	<u>4,466,932</u>

All income and expenditure derive from continuing activities.

The notes on pages 14 to 25 form an integral part of these financial statements.

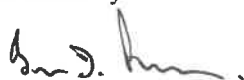
Dumfries Baptist Church
(Company Limited By Guarantee)

Statement of Financial Position (Balance Sheet)
as at 30th June 2023

	Notes	Group 2023 £	Charity 2023 £	Group 2022 £	Charity 2022 £
Fixed assets					
Tangible assets	9	4,382,146	4,382,146	4,476,814	4,476,814
Investments	10	-	1	-	1
		<u>4,382,146</u>	<u>4,382,147</u>	<u>4,476,814</u>	<u>4,476,815</u>
Current assets					
Stocks	11	1,560	-	3,600	-
Debtors	12	23,567	17,794	21,225	21,018
Cash at bank and in hand		183,923	174,112	179,996	155,634
		<u>209,050</u>	<u>191,906</u>	<u>204,821</u>	<u>176,652</u>
Creditors: amounts falling due within one year	14	(16,120)	(5,976)	(128,718)	(115,535)
Net current assets		<u>192,930</u>	<u>185,930</u>	<u>76,103</u>	<u>61,117</u>
Total assets less current liabilities		<u>4,575,076</u>	<u>4,568,077</u>	<u>4,552,917</u>	<u>4,537,932</u>
Creditors: amounts falling due after more than one year	15	-	-	(71,000)	(71,000)
Total net assets		<u>4,575,076</u>	<u>4,568,077</u>	<u>4,481,917</u>	<u>4,466,932</u>
The funds of the charity					
Restricted funds	17	10,902	10,902	517	517
Unrestricted funds					
Designated fund	17	-	-	21,000	21,000
General fund	17	4,564,174	4,557,175	4,460,400	4,445,415
Total charity funds		<u>4,575,076</u>	<u>4,568,077</u>	<u>4,481,917</u>	<u>4,466,932</u>

The Trustees have prepared group accounts in accordance with section 398 of the Companies Act 2006 and section 44 of the Charities and Trustee Investment (Scotland) Act 2005. These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the company.

The financial statements were approved and authorised for issue by the Deacons on 6th December 2023 and signed on their behalf by



I D Penn
Treasurer

The notes on pages 14 to 25 form an integral part of these financial statements.

Dumfries Baptist Church
(Company Limited By Guarantee)

Statement of Cash Flows
for the year ended 30th June 2023

	Notes	Group 2023 £	Charity 2023 £	Group 2022 £	Charity 2022 £
Cash flow from operating activities:					
Cash inflow from operating activities	22	186,314	200,867	176,622	163,640
Taxation paid/receivable		-	-	(1,082)	-
Net cash inflow from operating activities		<u>186,314</u>	<u>200,867</u>	<u>175,540</u>	<u>163,640</u>
Cash flow from investing activities					
Payments to acquire tangible fixed assets		(4,243)	(4,243)	(7,595)	(7,595)
Interest received		522	520	17	17
Net cash flow from investing activities		<u>(3,721)</u>	<u>(3,723)</u>	<u>(7,578)</u>	<u>(7,578)</u>
Cash flows from financing activities					
Repayment of Director's Loan Account		(7,000)	(7,000)	-	-
Repayment of loans		(171,666)	(171,666)	(185,000)	(185,000)
Cash used in financing activities		<u>(178,666)</u>	<u>(178,666)</u>	<u>(185,000)</u>	<u>(185,000)</u>
Net increase(decrease) in cash and cash equivalents		3,927	18,478	(17,038)	(28,938)
Cash and cash equivalents at beginning of reporting period		<u>179,996</u>	<u>155,634</u>	<u>197,034</u>	<u>184,572</u>
Cash and cash equivalents at end of reporting period		<u><u>183,923</u></u>	<u><u>174,112</u></u>	<u><u>179,996</u></u>	<u><u>155,634</u></u>
Cash and cash equivalents consists of:					
Cash at bank and in hand		<u>183,923</u>	<u>174,112</u>	<u>179,996</u>	<u>155,634</u>

Dumfries Baptist Church
(Company Limited By Guarantee)

Notes to the Financial Statements
for the year ended 30th June 2023

1. Summary of significant accounting policies

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to the period presented unless otherwise stated.

1.1. General information and basis of preparation

Dumfries Baptist Church is a company limited by guarantee in Scotland. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the Deacons report along with the nature of the charity's operations and principal activities.

The financial statements are prepared on the going concern basis under the historical cost convention modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) issued in October 2019, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Companies Act 2006.

The charity constitutes a public benefit entity as defined by FRS102.

The company has consistently applied all relevant accounting standards.

1.2. Group Financial Statements

The financial statements consolidate the results of the Charity and its wholly owned subsidiary DBCC Operating Co. Limited on a line-by-line basis.

1.3. Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are subject to restrictions on their expenditure imposed by the donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Dumfries Baptist Church
(Company Limited By Guarantee)

Notes to the Financial Statements
for the year ended 30th June 2023

1.4. Income recognition

All income is included in the SOFA when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and settlement date. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received. At this point income is recognised.

Income from grants is recognised at fair value when the Charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then any amounts are deferred.

Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the charity including the sale of donated baked goods produced by volunteers. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

No amount is included in the financial statements for volunteer time in line with the SORP FRS102.

1.5. Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Expenditure includes any VAT which cannot be fully recovered and is reported as part of the expenditure to which it relates.

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs and governance costs. Support & governance costs have been allocated to activities on a basis consistent with the use of the resources.

1.6. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Land	-	No depreciation
Buildings	-	2% straight line
Furniture and Fittings	-	25% straight line

1.7. Investments

Investments in subsidiaries are measured at cost less impairment.

1.8. Debtors & creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

Dumfries Baptist Church
(Company Limited By Guarantee)

Notes to the Financial Statements
for the year ended 30th June 2023

1.9. Stock

Stock is valued at the lower of cost and net realisable value.

1.10. Employee benefits

The charity operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

1.11. Taxation status

Dumfries Baptist Church has charitable status and is exempt from taxation.

Trading subsidiary DBCC Operating Co Ltd pays corporation tax in respect of the taxable profit for the current reporting period. It is measured at the amount expected to be paid or recovered using the tax rates applicable at the balance sheet date.

1.12. Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

Key sources of estimation uncertainty

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:-

Useful economic lives of tangible fixed assets

The annual depreciation charge for tangible assets is sensitive to changes in the useful economic lives of the assets. The useful economic lives are re-assessed annually and obsolete items written off accordingly based upon the physical condition of the assets.

1.13. Financial liabilities

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

The Charity has taken advantage of Section 34 of FRS 102 to recognise the interest free loans that it has received as concessionary loans. As such, the Charity initially recognised and measures the loans at the amounts received, with the carrying amounts adjusted in subsequent years to reflect repayments.

Dumfries Baptist Church
(Company Limited By Guarantee)

Notes to the Financial Statements
for the year ended 30th June 2023

2. Income from donations & legacies

	Group 2023 £	Charity 2023 £	Group 2022 £	Charity 2022 £
Donations and legacies	439,532	439,532	398,372	407,700
Grants - Church: Food Parcel Project	10,250	10,250	7,095	7,095
Grants - Operating Company	21,000	-	17,041	-
	<u>470,782</u>	<u>449,782</u>	<u>422,508</u>	<u>414,795</u>

The income from donations and legacies for the group was £470,782 (2022: £422,508) of which £263,428 (2022: £243,044) was unrestricted and £207,354 (2022: £179,464) restricted.

The income from donations and legacies for the parent charity was £449,782 (2022: £414,795) of which £242,428 (2022: £235,331) was unrestricted and £207,354 (2022: £179,464) restricted.

3. Income from investments

	Group 2023 £	Charity 2023 £	Group 2022 £	Charity 2022 £
Bank interest	522	520	17	17
	<u>522</u>	<u>520</u>	<u>17</u>	<u>17</u>

The income from investments for the group was £522 (2022: £17) of which £2 (2022: £NIL) was unrestricted and £520 (2022: £17) was restricted.

The income from investments for the parent charity was £520 (2022: £17) of which £NIL (2022: £NIL) was unrestricted and £520 (2022: £17) was restricted.

Dumfries Baptist Church
(Company Limited By Guarantee)

Notes to the Financial Statements
for the year ended 30th June 2023

4. Income from other trading activities

The wholly owned subsidiary DBCC Operating Co Ltd is incorporated in the United Kingdom (company number SC583241). DBCC Operating Co Ltd operates a cafe with room hire and the Church premises. The Operating Company made a net loss of £7,986 for the year.

DBCC Operating Co. Limited trading results for the year ended 30th June 2023:-

	2023	2022
	£	£
Turnover	210,712	202,452
Cost of sales and administration costs	(239,700)	(219,493)
Grants received	21,000	17,041
Interest	2	-
Net (loss)/profit	<u>(7,986)</u>	<u>-</u>
Retained in subsidiary	<u>(7,986)</u>	<u>-</u>
The assets and liabilities of the subsidiary were:		
Current assets	17,145	37,494
Current liabilities	(10,147)	(22,511)
Total net assets	<u>6,998</u>	<u>14,983</u>
Aggregate capital and reserves	<u>6,998</u>	<u>14,983</u>

Dumfries Baptist Church
(Company Limited By Guarantee)

Notes to the Financial Statements
for the year ended 30th June 2023

5. Analysis of expenditure on charitable activities

	Activities Undertaken Directly	Support & Governance Costs	2023 Total	2022 Total
	£	£	£	£
Local ministry	116,514	79,321	195,835	209,484
Mission	50,948	15,864	66,812	57,064
Congregational organisations	2,053	63,457	65,510	62,289
	<u>169,515</u>	<u>158,642</u>	<u>328,157</u>	<u>328,837</u>

Total expenditure on charitable activities for the Charity was £328,157 (2022: £328,837) as shown above and for the Group was £328,157 (2022: £327,224).

Support & governance costs

	Group 2023	Charity 2023	Group 2022	Charity 2022
	£	£	£	£
Light and heat	26,236	26,236	19,089	19,089
Insurance	6,029	6,029	5,358	5,358
Office expenses Church	1,090	1,090	1,070	1,070
Council Tax / Rates	10,415	10,415	9,565	9,565
Sundry repairs	1,554	1,554	1,567	1,567
Miscellaneous	7,843	7,843	4,107	5,721
Music & Worship	-	-	51	51
Photocopier/IT	3,444	3,444	1,861	1,861
Depreciation	98,911	98,911	102,593	102,593
Audit and Accountancy fees	3,120	3,120	3,000	3,000
	<u>158,642</u>	<u>158,642</u>	<u>148,261</u>	<u>149,875</u>

Of the expenditure on charitable activities for the group, £316,775 (2022: £307,909) was unrestricted, £11,382 (2022: £19,315) was restricted.

Of the expenditure on charitable activities for the parent charity, £316,775 (2022: £309,522) was unrestricted, £11,382 (2022: £19,315) was restricted.

Support & governance costs have been allocated against the activities based on an estimation of time & resources spent.

Dumfries Baptist Church
(Company Limited By Guarantee)

Notes to the Financial Statements
for the year ended 30th June 2023

6. Employees

Number of employees

The average number of employees during the year were:

	2023 Number	2022 Number
Charitable activities	3	4
Trading subsidiary	13	11
	<u>16</u>	<u>15</u>

	Group 2023	Charity 2023	Group 2022	Charity 2022
		£	£	£
Wages and salaries	246,335	83,722	226,514	89,727
Social security costs	11,867	2,996	10,800	3,302
Other pension costs	11,695	9,026	14,387	12,052
	<u>269,897</u>	<u>95,744</u>	<u>251,701</u>	<u>105,081</u>

Staff costs include emoluments to A Purss: Lead Pastor, E Paterson: Associate Pastor and Kristoff Henderson: Youth Worker, who are all Deacons, for their services and the church contributes to a pension scheme on their behalf where applicable. A Purss is also a Company Director. All salaries to Deacons are remuneration for their positions in the Church and are not for services as a Deacon or Director.

No employees received remuneration amounting to more than £60,000.

No other deacons received remuneration for their services, or have been reimbursed for expenditure during the year.

Dumfries Baptist Church paid an amount of £NIL (2022: £4,382) on behalf of 2 deacons (2022: 2 deacons) in relation to the cost of courses and conferences and other expenses.

Key management personnel are the Deacons.

7. Pension costs

The Church operates a defined contribution pension scheme in respect of the pastors. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the Church and amounted to £9,026 (2022: £12,052).

Trading subsidiary, DBCC Operating Co. Ltd paid contributions amounting to £2,669 (2022: £2,335) to a defined contribution pension scheme in respect of its employees.

8. Gross transfers between funds

Funds transferred from the Restricted Fund to the Unrestricted Fund were to cover the cost of fixed assets purchased and loan repayments made during the year totalling £165,243. The building loans were, however, paid off as at 30th June 2023 so the remaining balance on the Appeal Fund of £20,864 has also been transferred to the General Fund resulting in a total transfer of £186,107. The Appeal Fund is now no longer required and has been wound up.

Dumfries Baptist Church
(Company Limited By Guarantee)

Notes to the Financial Statements
for the year ended 30th June 2023

9. Tangible fixed assets - charity (also comprising that of the group)

	Land and Buildings £	Furniture and fittings £	Total £
Cost /valuation			
At 1st July 2022	4,985,775	288,509	5,274,284
Additions	-	4,243	4,243
At 30th June 2023	4,985,775	292,752	5,278,527
Depreciation			
At 1st July 2022	516,579	280,891	797,470
Charge for the year	94,215	4,696	98,911
At 30th June 2023	610,794	285,587	896,381
Net book values			
At 30th June 2023	4,374,981	7,165	4,382,146
At 30th June 2022	4,469,196	7,618	4,476,814

Land and buildings includes land of £275,000 which is not depreciated.

Tangible fixed assets with a net book value of £206,691 as at 30th June 2022 were subject to a standard security dated 5th September 2017 over The Manse, 16 Dalscone Avenue, Dumfries, DG1 1RN in respect of a loan of £110,000. This charge was discharged on 22nd June 2023 following the loan being fully repaid.

Tangible fixed assets with a net book value of £4,172,987 as at 30th June 2023 (2022: £4,262,505) were subject to a standard security dated August 2017 over The New Church, Gillbrae Road, Dumfries, DG1 4EJ in respect of a loan of £250,000. This charge was discharged on 14th August 2023 following the loan being fully repaid.

10. Fixed asset investments

The Charity holds 1 Ordinary Share of £1 in its wholly owned trading subsidiary DBCC Operating Co Ltd which is incorporated in the United Kingdom and whose registered office is Dumfries Baptist Church, Gillbrae Road, Dumfries, DG1 4EJ. These are the only shares allotted, called up and fully paid. The activities and results of this subsidiary company are summarised in note 4.

The wholly owned subsidiary, DBCC Operating Co. Limited, has been included in the group consolidation and has the same year end as Dumfries Baptist Church.

11. Stocks

	2023 £	2022 £
Finished goods and goods for resale	1,560	3,600

Dumfries Baptist Church
(Company Limited By Guarantee)

Notes to the Financial Statements
for the year ended 30th June 2023

12. Debtors: all receivable within one year

	Group 2023 £	Charity 2023 £	Group 2022 £	Charity 2022 £
Trade debtors	4,037	-	7,860	-
Amounts owed by group undertakings	-	-	-	9,328
Other debtors	17,794	17,794	11,062	11,062
Prepayments	1,736	-	2,303	628
	<u>23,567</u>	<u>17,794</u>	<u>21,225</u>	<u>21,018</u>

13. Funds received as Agent

	2023 £	2022 £
Nepal Account	1,135	676
Joy Ransom - Nepal	-	200
Nepal re wall repair	2,160	-
AIM - K. Holt	180	130
	<u>3,475</u>	<u>1,006</u>

As at 30th June 2023 a balance of £2,160 (2022: £176) was held as agent on the Nepal Account.

14. Creditors: amounts falling due within one year

	Group 2023 £	Charity 2023 £	Group 2022 £	Charity 2022 £
Concessionary loans	-	-	97,000	97,000
Trade creditors	140	-	4,223	3,000
VAT	7,249	-	5,815	-
Director's Loan Account	-	-	14,000	14,000
Other creditors	2,388	1,230	4,045	-
Accruals	6,343	4,746	3,635	1,535
	<u>16,120</u>	<u>5,976</u>	<u>128,718</u>	<u>115,535</u>

Included within interest free loans is an original loan from Baptist Building Fund of £250,000 with an outstanding balance of £NIL as at the year end (2022: £25,000) which was secured by a Standard Security dated August 2017 over the new Church at Gillbrae Road. The charge was discharged on 14th August 2023 following the loan being fully repaid.

Included within interest free loans is an original loan from the Baptist Union Scotland with an outstanding balance of £NIL as at the year end (2022: £62,500). This loan was secured by a Standard Security dated 5th September 2017 over The Manse, 16 Dalscone Avenue, Dumfries which was discharged on 22nd June 2023.

Dumfries Baptist Church
(Company Limited By Guarantee)

Notes to the Financial Statements
for the year ended 30th June 2023

15. Creditors: amounts falling due after more than one year	Group 2023 £	Charity 2023 £	Group 2022 £	Charity 2022 £
Concessionary loans	-	-	64,000	64,000
Director's Loan Account	-	-	7,000	7,000
	<u>-</u>	<u>-</u>	<u>71,000</u>	<u>71,000</u>

Interest free loans include aggregate amounts of £NIL (2022: £12,499) which fall due after five years and which are payable by instalments.

16. Analysis of group net assets between funds

	Unrestricted Funds £	Restricted Fund £	Total Funds 2023 £
Fixed assets	4,382,146	-	4,382,146
Current assets	198,148	10,902	209,050
Current liabilities	(16,120)	-	(16,120)
Creditors more than one year	-	-	-
	<u>4,564,174</u>	<u>10,902</u>	<u>4,575,076</u>

Dumfries Baptist Church
(Company Limited By Guarantee)

Notes to the Financial Statements
for the year ended 30th June 2023

17. Analysis of group charitable funds

	Balance at 01.07.22 £	Income £	Expenditure £	To Subsidiary £	Transfers £	Balance at 30.06.23 £
Unrestricted:						
Designated fund	21,000	-	-	(21,000)	-	-
General funds	4,460,400	474,142	(556,475)	-	186,107	4,564,174
Total Unrestricted funds	4,481,400	474,142	(556,475)	(21,000)	186,107	4,564,174
Restricted funds	517	207,874	(11,382)	-	(186,107)	10,902
Total funds	4,481,917	682,016	(567,857)	(21,000)	-	4,575,076

Unrestricted Funds

Designated fund

The Designated fund consisted of funds derived from a COVID Hospitality Support Grant for the Operating Company and was paid over to the latter during the year.

The General Fund is used for the general administration of the Church.

Restricted Funds

The Appeal Fund for the development of the new church continued to accumulate funds until the loans associated with the development were fully repaid as at 30th June 2023. Donations for this purpose amounting to £186,107 were received during the year of which £165,243 were used to repay the loans and cover the purchase of fixed assets. The balance remaining of £20,864 has been transferred to the General Fund and the Appeal Fund has been wound up.

During the Coronavirus Pandemic, the Church raised funds specifically for the purpose of delivering food parcels to the needy. In light of the "Cost of Living Crisis" the Church has continued this activity. Donations amounting to £11,517 were received for this purpose during the year plus grants of £5,250 from Dumfries and Galloway Council and £5,000 from The Julia and Hanns Rausing Trust. £11,382 was expended in the year and, after taking account of the balance carried forward from 2022 of £517, leaves a balance as at 30th June 2023 of £10,902.

18. Auditors remuneration

Fees payable for the group charitable audit amounted to £2,370 plus £2,833 for other services (2022: £2,250 for the group charitable audit and £2,300 for other services).

Dumfries Baptist Church
(Company Limited By Guarantee)

Notes to the Financial Statements
for the year ended 30th June 2023

19. Transactions with deacons

Included within creditors falling due after more than one year is a loan from Mr. I. Penn, a director in Dumfries Baptist Church. The amount outstanding at the year end on this loan was £NIL (2022: £21,000). This was repayable by quarterly instalments of £3,500 with effect from December 2020:

The Deacons donated a total of £43,870 (2022: £42,751) to the Charity during the year.

20. Related party transactions

There were no transactions between Dumfries Baptist Church and DBCC Operating Co Ltd during the year (2022: £1,613 for services). A balance of £NIL (2022: £NIL) was due from DBCC Operating Co Ltd to Dumfries Baptist Church at the year end.

21. Controlling interest

The Charity is under the control of the Deacons.

22. Reconciliation of net income/(expenditure) to net cash flow from operating activities

	Group 2023 £	Charity 2023 £	Group 2022 £	Charity 2022 £
Net income/(expenditure) for the year	114,159	122,145	85,975	85,975
Interest received	(522)	(520)	(17)	(17)
Donations from converted loans	(20,000)	(20,000)	(16,000)	(16,000)
Reduction in loan for early repayment	(4,334)	(4,334)	-	-
Depreciation of tangible assets	98,911	98,911	102,593	102,593
Increase/(decrease) in creditors	(1,598)	1,441	2,060	(122)
(Increase)/decrease in debtors	(2,342)	3,224	4,231	(8,789)
(Increase)/decrease in stocks	2,040	-	(2,220)	-
Net cash flow from/(to) operating activities	<u>186,314</u>	<u>200,867</u>	<u>176,622</u>	<u>163,640</u>