

CHARITY REGISTRATION NUMBER: 1126607

Loughton Baptist Church
Unaudited Financial Statements
31 December 2020

JVCA Ltd

Chartered accountants
114 High Street, Cranfield, Bedfordshire, MK43 0DG

Loughton Baptist Church

Financial Statements

Year ended 31 December 2020

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Loughton Baptist Church

Trustees' Annual Report *(continued)*

Year ended 31 December 2020

The trustees present their report and the unaudited financial statements of the charity for the year ended 31 December 2020.

Reference and administrative details

Registered charity name	Loughton Baptist Church
Charity registration number	1126607
Principal office	Bradwell Road Loughton Milton Keynes MK5 8AJ Bucks

The trustees

Rev Craig Sayle
Rev Nathan Marlam
Sharon Willcock
Pat Gidley

Deacons

Pat Gidley
Christina Simms
Sharon Wilcock
Joy Oxley
Timothee Gauvrit
Matthew Teoh
Yetunde Agega
Jumoke Bamber
Sorin Romaniuc

At the end of January Rev Craig Sayle left the church and Rev Nathan Marlam become Charity Trustee. The two 3-year terms of office ended for Joy Oxley, and she stepped down from the role at the AGM in October, which had been postponed from March due to the global Covid-19 pandemic. Timothee Gauvrit was re-elected for a second 3-year term of office. Jumoke Bamber and Sorin Romaniuc were elected for a term of 3 years.

Church secretary	Sharon Willcock
Accountant	JVCA Ltd Chartered accountants 114 High Street Cranfield Bedfordshire MK43 0DG

Loughton Baptist Church

Trustees' Annual Report *(continued)*

Year ended 31 December 2020

Structure, governance and management

Governing document

The Charity is governed by a document known as a constitution. It is an unincorporated association administered by trustees known as Deacons who are elected by way of church meeting.

Objectives and activities

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 summary of main activities include but are not restricted to:

- regular public worship, prayer, Bible study, preaching and teaching;- baptism, as defined in the 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 abroad;- encouraging relationships with and supporting Baptists and other Christians.- 2

Achievements and performance

At the end of January our Senior Minister, Rev Craig Sayle, left to return to his home country of US. Our Associate Minister, Rev Nathan Marlam, took over the role of acting Senior Minister whilst the process of seeking a new Senior was put in place.

In March there was a global pandemic of Covid-19, and the Trustees and Deacons closed the church building for all regular activities and Sunday worship services. A team of skilful and dedicated volunteers supported Rev Nathan to establish online Sunday morning services through Zoom. Sunday evening prayer times and our Children's and Youth Ministry continued in this way too.

Later in the year as restrictions began to ease the church re-opened to host short Communion services on Sunday afternoons and these were stopped when restrictions were imposed again.

Our church family stepped up in ways to strengthen our relationships through online Coffee times after the Sunday morning services.

Connect Groups continued to meet regularly on Zoom to share in prayer, fellowship and reading of the Word. English classes moved to online too. Our Youth Worker organised several outdoor community events including Family Pumpkin Carving and Trail of Hope. Our Church plant at Whitehouse were meeting in the local school and they too moved to online Sunday services and worked hard to reach out to the local community through a wide range of activities and events.

Loughton Baptist Church

Trustees' Annual Report *(continued)*

Year ended 31 December 2020

Financial review

The 2020 year saw multiple challenges from Covid-19 and the legal restrictions on meeting in person. As a result the costs to operate fell dramatically and work to employ a replacement minister was postponed leading to the development of a surplus. This surplus will be used in part to fund alterations to the building for re-opening in 2021 and to support the hire of additional staff. Our donations did not fall significantly in the period and many people were happy to move to bank giving which often leads to more regular giving. Whilst the headline numbers look unusually good as previously highlighted this year saw a significant temporary cost base reduction.

The trustees' annual report was approved on and signed on behalf of the board of trustees by:

Trustee

Trustee

Loughton Baptist Church

Independent Examiner's Report to the Trustees of Loughton Baptist Church

Year ended 31 December 2020

I report on the financial statements for the year ended 31 December 2020, which comprise the statement of financial activities, statement of financial position, statement of cash flows and the related notes.

Respective responsibilities of trustees and examiner

The trustees are responsible for the preparation of the financial statements. The trustees consider that an audit is not required for this year under section 144(2) 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;
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- to state whether particular matters have come to my attention.

Basis of independent examiner's report

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 next statement.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

(1) which gives me reasonable cause to believe that in any material respect the requirements:

- to keep accounting records in accordance with section 130 of the 2011 Act, and
 - to prepare accounts which accord with the accounting records and comply with the accounting requirements of the 2011 Act
- have not been met, or

(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Coral Tolley-Fletcher FCCA
JVCA Ltd

114 High Street, Cranfield, Bedfordshire, MK43 0DG

Loughton Baptist Church

Statement of Financial Activities

31 December 2020

		Unrestricted funds £	2020 Restricted funds £	Total funds £	2019 Total funds £
	Note				
Income and endowments					
Donations and legacies	4	186,855	–	186,855	173,453
Investment income	5	–	–	–	24
Total income		<u>186,855</u>	<u>–</u>	<u>186,855</u>	<u>173,477</u>
Expenditure					
Expenditure on charitable activities	6,7	137,470	-	137,470	170,343
Total expenditure		<u>137,470</u>	<u>-</u>	<u>137,470</u>	<u>170,343</u>
Net income and net movement in funds		<u>49,385</u>	<u>-</u>	<u>49,385</u>	<u>3,134</u>
Reconciliation of funds					
Total funds brought forward		1,496,831	120,960	1,617,791	1,614,657
Total funds carried forward		<u>1,546,216</u>	<u>120,960</u>	<u>1,667,176</u>	<u>1,617,791</u>

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes on pages 8 to 16 form part of these financial statements.

Loughton Baptist Church
Statement of Financial Position
31 December 2020

		2020	2019
		£	£
Fixed assets			
Intangible assets	11	1,455,123	1,455,123
Tangible fixed assets	12	25,295	29,432
Investments	13	73,585	73,585
		<u>1,554,003</u>	<u>1,558,140</u>
Current assets			
Debtors	14	132	132
Cash at bank and in hand		97,524	44,002
		<u>97,656</u>	<u>44,134</u>
Creditors: amounts falling due within one year	15	<u>(15,517)</u>	<u>(15,517)</u>
Net current assets		<u>113,173</u>	<u>59,651</u>
Total assets less current liabilities		<u><u>1,667,176</u></u>	<u><u>1,617,791</u></u>
Funds of the charity			
Restricted funds		120,960	119,360
Unrestricted funds		1,546,216	1,498,431
Total charity funds	17	<u><u>1,667,176</u></u>	<u><u>1,617,791</u></u>

These financial statements were approved by the board of trustees and authorised for issue on 29 October 2018, and are signed on behalf of the board by:

Rev Nathan Marlam
Trustee

The notes on pages 8 to 16 form part of these financial statements.

The notes on pages 8 to 16 form part of these financial statements.

Loughton Baptist Church
Notes to the Financial Statements
Year ended 31 December 2020

1. General information

The charity is registered charity in England and Wales and is unincorporated. The address of the principal office is Bradwell Road, Loughton, Milton Keynes, MK5 8AJ, Bucks.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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 (FRS 102) (Charities SORP (FRS 102)) and the Charities Act 2011.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

There are no material uncertainties about the charity's ability to continue.

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 expectations of future events that are believed to be reasonable under the circumstances.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

Loughton Baptist Church

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

3. Accounting policies *(continued)*

Incoming resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Intangible assets

Intangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated amortisation and impairment losses. Any intangible assets carried at revalued amounts, are recorded at the fair value at the date of revaluation, as determined by reference to an active market, less any subsequent accumulated amortisation and subsequent accumulated impairment losses.

Intangible assets acquired as part of a business combination are recorded at the fair value at the acquisition date.

Loughton Baptist Church

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

3. Accounting policies *(continued)*

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other recognised gains and losses, unless it reverses a charge for impairment that has previously been recognised as expenditure within the statement of financial activities. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other recognised gains and losses, except to which it offsets any previous revaluation gain, in which case the loss is shown within other recognised gains and losses on the statement of financial activities.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Investments

Unlisted equity investments are initially recorded at cost, and subsequently measured at fair value. If fair value cannot be reliably measured, assets are measured at cost less impairment.

Listed investments are measured at fair value with changes in fair value being recognised in income or expenditure.

Investments in associates

Investments in associates accounted for in accordance with the cost model are recorded at cost less any accumulated impairment losses.

Investments in associates accounted for in accordance with the fair value model are initially recorded at the transaction price. At each reporting date, the investments are measured at fair value, with changes in fair value taken through income or expenditure. Where it is impracticable to measure fair value reliably without undue cost or effort, the cost model will be adopted.

Dividends and other distributions received from the investment are recognised as income without regard to whether the distributions are from accumulated profits of the associate arising before or after the date of acquisition.

Investments in joint ventures

Investments in jointly controlled entities accounted for in accordance with the cost model are recorded at cost less any accumulated impairment losses.

Investments in jointly controlled entities accounted for in accordance with the fair value model are initially recorded at the transaction price. At each reporting date, the investments are measured at fair value, with changes in fair value taken through income or expenditure. Where it is impracticable to measure fair value reliably without undue cost or effort, the cost model will be adopted.

Loughton Baptist Church

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

3. Accounting policies *(continued)*

Investments in joint ventures *(continued)*

Dividends and other distributions received from the investment are recognised as income without regard to whether the distributions are from accumulated profits of the joint venture arising before or after the date of acquisition.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the charity are assigned to those units.

Financial instruments

A financial asset or a financial liability is recognised only when the charity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

Where investments in shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in income and expenditure. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in the statement of financial activities, with the exception of hedging instruments in a designated hedging relationship.

Loughton Baptist Church

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

3. Accounting policies *(continued)*

Financial instruments *(continued)*

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as an expense in the period in which it arises.

4. Donations and legacies

	Unrestricted Funds £	Total Funds 2020 £	Unrestricted Funds £	Total Funds 2019 £
Donations				
Offerings	158,239	158,239	144,353	144,353
Tax refunds	28,616	28,616	29,100	29,100
	<u>186,855</u>	<u>186,855</u>	<u>173,453</u>	<u>173,453</u>

5. Investment income

	Unrestricted Funds £	Total Funds 2020 £	Unrestricted Funds £	Total Funds 2019 £
Income from other investments	—	—	24	24
	<u>—</u>	<u>—</u>	<u>24</u>	<u>24</u>

Loughton Baptist Church

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

6. Net income

Net income is stated after charging/(crediting):

	2020	2019
	£	£
Depreciation of tangible fixed assets	<u>4,137</u>	<u>4,137</u>

7. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2020	2019
	£	£
Wages and salaries	90,808	82,819
Social security costs	5,607	12,305
Employer contributions to pension plans	9,434	9,575
	<u>105,849</u>	<u>104,699</u>

The average head count of employees during the year was 3 (2019: 4).

No employee received employee benefits of more than £60,000 during the year (2019: Nil).

Loughton Baptist Church

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

8 Trustee remuneration and expenses

No remuneration or other benefits from employment with the charity or a related entity were received by the trustees.

9. Intangible assets

	Patents, trademarks and licences £
Cost	
At 1 January 2020 and 31 December 2020	<u>1,455,123</u>
Amortisation	
At 1 January 2020 and 31 December 2020	<u>—</u>
Carrying amount	
At 31 December 2020	<u>1,455,123</u>
At 31 December 2019	<u>1,455,123</u>

10. Tangible fixed assets

	Land and buildings £
Cost	
At 1 January 2020 and 31 December 2020	<u>82,743</u>
Depreciation	
At 1 January 2020	53,311
Charge for the year	<u>4,137</u>
At 31 December 2020	<u>57,448</u>
Carrying amount	
At 31 December 2020	<u>25,295</u>
At 31 December 2019	<u>29,432</u>

Loughton Baptist Church

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

11. Investments

	Other investments £
Cost or valuation	
At 1 January 2020	73,585
Additions	—
At 31 December 2020	73,585
Impairment	
At 1 January 2020 and 31 December 2020	—
Carrying amount	
At 31 December 2020	73,585
At 31 December 2019	73,585

All investments shown above are held at valuation.

12. Debtors

	2020 £	2019 £
Other debtors	132	132

13. Creditors: amounts falling due within one year

	2020 £	2019 £
Social security and other taxes	1,840	1,840
Other creditors	(17,357)	(17,357)
	(15,517)	(15,517)

14. Pensions and other post retirement benefits

Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £9,434 (2019: £9,575).

15. Analysis of charitable funds

Unrestricted funds

	At 1 January 2020 £	Income £	Expenditure £	At 31 December 2020 £
General funds	1,496,831	186,855	(137,470)	1,546,216

Loughton Baptist Church

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

15. Analysis of charitable funds *(continued)*

Restricted funds

	At 1 January 20 20	Income	Expenditure	At 31 December r 2020
	£	£	£	£
Building fund	<u>120,960</u>	<u>—</u>	<u>—</u>	<u>120,960</u>

16. Financial instruments

Where reduced disclosures are applied, disclosures from the Companies Act 2006 still need to be made regarding the fair value of the instruments in each category and the changes in value recognised in profit and loss. Disclosures of the significant assumptions underlying the valuation models and techniques used, and extent and nature of derivative instruments are also required.