



Grace Baptist Church, Southport

FINANCIAL STATEMENTS AND TRUSTEES REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

GRACE BAPTIST CHURCH, SOUTHPORT

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FOR THE YEAR ENDED 31 DECEMBER 2022

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GRACE BAPTIST CHURCH, SOUTHPORT

LEGAL AND ADMINISTRATIVE INFORMATION

FOR THE YEAR ENDED 31 DECEMBER 2022

Trustees:	Zelda Bentham	appointed - 18 May 2022
	Rev Stuart Harding	resigned - 31 July 2022
	Maciek Stolarski	appointed - 28 February 2023
	David Sutton	appointed - 28 February 2023
	Nathan Ward	
Treasurer:	Bill Harrison	appointed - 24 September 2022
	Steve Wright	died - 29 June 2022
Charity number:	1130672	
Charity Address:	40 Market Street Southport PR8 1HJ	
Charity Website:	http://gracebaptist.org.uk/	
Independent Examiners:	O J Grills FCA J A Fell & Co 40 Hoghton Street Southport PR9 0PQ	
Bankers:	Lloyds Bank 23 London Street Southport PR9 0UX	

GRACE BAPTIST CHURCH, SOUTHPORT

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The trustees submit their annual report and financial statements for the year ended 31 December 2022. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) '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 (FRS 102)', issued October 2019 in preparing the annual report and financial statements of the charity.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The organisation is a Charitable Trust which was registered on 22 July 2009 with the Charity Commission (previously excepted registration). It is governed by its Constitution adopted on 10 June 2009 as amended 26 September 2009 and 24 March 2010.

Recruitment and appointment of the trustees

The board seeks to achieve a balance of skills and experience amongst the trustees. In order to maintain this, the board reviews its skill and experience mix each year and seeks to recruit new trustees when necessary who are voted in by a majority vote of the church membership.

In appointing trustees due consideration is given to ensuring that the trustees have, between them, the skills and experience necessary to manage the charity effectively and in accordance with charity law.

Normally, the Elders and Deacons form the Charity Trustees. Since February 2022 the charity had no Elders and only one Deacon, until his resignation in September 2022. Temporary Trustees were appointed to serve until the constitutional provision of Elders and Deacons are satisfactorily established to meet the requirements of the Charities Commission.

Trustee induction and training

The current board of trustees will provide any new trustee with an overview of the timetable of board meetings, copies of the recent minutes of meetings, the recent reports and accounts and explains their general and specific responsibilities.

Ongoing training is provided by the board of trustees as and when the need arises.

Risk management

The trustees are aware of the major risks to which the charity is exposed to and have plans in place to mitigate these as far as possible. These issues included financial controls, health and safety and safeguarding.

GRACE BAPTIST CHURCH, SOUTHPORT

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2022

OBJECTIVES AND ACTIVITIES

Objects of the charity

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities.

The principal object of the charity is the advancement of the Christian faith according to Baptist principles and in accordance with the Basis of Faith. The charity may also carry out other charitable purposes in the United Kingdom and/or other parts of the world but in practice operates almost entirely locally.

ACHIEVEMENTS AND PERFORMANCE

When planning our activities for the year, we consider the public benefit and, in particular, the advancement of true religion. We preach the truths of Scripture to challenge and help ordinary people to live out their faith through worship, prayer, learning about the Bible and developing their personal knowledge of and trust in Jesus.

This is also supported through practical pastoral care and support for members and others in the local area, particularly those attending the regular services.

Grace Baptist Church is committed to encouraging as many people as possible to worship with us and to become part of our community of faith. We provide activities for all age groups, both on Sundays and on week days. These include Bible teaching as well as craft and other more energetic activities. Each week Southport Foodpantry (run in co-operation with Compassion Acts Ltd) uses our premises to supply food to those in longer term need of practical support.

As an outreach to the international community, we provide friendly, weekly English classes, attracting up to around 15 non-English speakers from many countries. Examples of our outreach activities are separate ladies and men's meeting, childrens / youth activities and toddler groups. We offer open invitations to events such as barbeques, coffee mornings, craft evenings and walks in the countryside.

The church runs and maintains its own minibus, which provides transport for the elderly and disabled to church meetings on a weekly basis and transporting the youth to activities and Christian summer camps. The minibus is equipped with a tail lift and has space for wheelchairs.

The church relies extensively on the generous support of volunteers who deliver a substantial part of the programme. This includes those who lead and support the various youth activities; transport the older church members; teach English; lead craft activities; provide food for the hungry; help older and sick friends; clean and maintain the buildings; and carry out administrative and financial work.

GRACE BAPTIST CHURCH, SOUTHPORT

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2022

FINANCIAL REVIEW

Principal funding sources

The major source of income for the charity has come from donations from the church congregation to whom the church are very grateful as it supports the charity in accomplishing its objectives more effectively.

Reserves policy

The Charity's policy on reserves is to generate and maintain a balance which is sufficient:

- to preserve the financial viability of the Charity in the event that unforeseen and/or unavoidable circumstance precipitate a short-term fall in its income; and
- to enable the Charity, in the interests of meeting its objectives, to undertake from time to time the setting up of new and innovative projects on a pilot basis to demonstrate the viability and potential benefits of such activities as a precursor to securing the external funding necessary to maintain such projects on an on-going basis.

For these purposes the Charity will endeavour to generate and maintain reserves which would equate to at least 3 months expenditure.

As at 31 December 2022, 3 months costs was calculated to be £33,954, whilst the amount held in unrestricted reserves was £290,746. The trustees appreciate that this level is in excess of what is immediately needed but is deemed appropriate for the time being as the trustees consider how to best apply the funding to further achieve its charitable objectives.

Remuneration of Trustees

All trustees act in a voluntary capacity and receive no remuneration or other material benefits from their services to the Charity.

Out-of-pocket expenses necessarily and reasonably incurred by trustees in promoting the purposes of the Charity are reimbursed at cost.

Financial review of the year

In the year to 31 December 2022 income of £129,742 was received (2021 - £232,117). Expenditure during the year totalled £135,814 (2021 - £162,456) which generated a minor shortfall for the year of £6,072 (2021 - £69,661 surplus).

For clarity, whilst the charity receives the benefit of being able to use the property from which it operates to fulfil its charitable objectives, the property asset is held in a separate trust which is why no amount is included in these accounts for this asset.

GRACE BAPTIST CHURCH, SOUTHPORT

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2022

PLANS FOR FUTURE PERIODS

General plans

The charity will continue its operations throughout the year, with a view to further its objectives as much as practical.


STATEMENT OF TRUSTEES' RESPONSIBILITIES

Law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the charity's financial activities during the period and of its financial position at the end of the period. In preparing financial statements giving a true and fair view, the trustees should follow best practice and:

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

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report was approved by the board of trustees on 18 July 2023 and signed on its behalf by:


.....
Zelda Bentham - trustee

GRACE BAPTIST CHURCH, SOUTHPORT

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF GRACE BAPTIST CHURCH, SOUTHPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

I report on the financial statements of the charity for the year ended 31 December 2022, which are set out on pages 7 to 13.

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 144 of the Charities Act 2011 (the Charities Act) and that an independent examination is needed.

It is my responsibility to:

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

Basis of independent examiner's statement

My examination was carried out in accordance with 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 the 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

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

- a) 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 Charities Act; and
 - to prepare accounts which accord with the accounting records and comply with the accounting requirements of the Charities Acthave not been met; or
- b) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

OJ Grills FCA (Independent examiner)

for and on behalf of JA Fell and Company
40 Hoghton Street, Southport, PR9 0PQ

Dated:

GRACE BAPTIST CHURCH, SOUTHPORT

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
INCOMING RESOURCES					
Incoming resources from generated funds:					
Voluntary income:					
Donations and gifts	2	121,859	2,629	124,488	225,865
Investment income	2	4,478	-	4,478	5,170
Other income	2	776	-	776	1,082
TOTAL INCOMING RESOURCES		127,113	2,629	129,742	232,117
RESOURCES EXPENDED					
Charitable activities	3	127,184	8,000	135,184	161,844
Governance	4	630	-	630	612
TOTAL RESOURCES EXPENDED		127,814	8,000	135,814	162,456
NET INCOMING RESOURCES FOR THE YEAR		(701)	(5,371)	(6,072)	69,661
Fund balances at 1 January 2022		291,447	58,183	349,630	279,969
Fund balances at 31 December 2022		290,746	52,812	343,558	349,630

The notes on pages 9 - 13 form part of these financial statements.

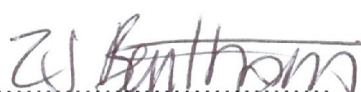
GRACE BAPTIST CHURCH, SOUTHPORT

BALANCE SHEET

AS AT 31 DECEMBER 2022

	Notes	Total funds 2022 £	Total funds 2021 £
CURRENT ASSETS			
Tax reclaim due		13,855	4,884
Cash at bank and in hand		330,615	346,231
PAYE refund due		4,660	-
		<u>349,130</u>	<u>351,115</u>
CURRENT LIABILITIES			
Accruals		4,609	612
PAYE owed		-	769
Other creditors		237	-
Pensions due		726	104
		<u>5,572</u>	<u>1,485</u>
NET CURRENT ASSETS		<u>343,558</u>	<u>349,630</u>
TOTAL NET ASSETS		<u>343,558</u>	<u>349,630</u>
FUNDS			
Restricted funds	10	52,812	58,183
Unrestricted funds	9	290,746	291,447
TOTAL FUNDS		<u>343,558</u>	<u>349,630</u>

Approved and signed on behalf of the board on 18 July 2023 by:


.....
Zelda Bentham - trustee

The notes on pages 9 - 13 form part of these financial statements.

GRACE BAPTIST CHURCH, SOUTHPORT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1 ACCOUNTING POLICIES

a Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with the FRSSE Statement of Recommended Practice (FRSSE SORP), "Accounting and Reporting by Charities" published in March 2015.

b Fund accounting

Unrestricted funds are 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.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by 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 where relevant.

c Incoming resources

All incoming resources are included in the SOFA when the charity is legally entitled to the income and can be quantified with reasonable accuracy. For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received. No amounts are included in the financial statements for services donated by volunteers.

d Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of the resources.

Fund raising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include project management costs. Management and administration costs are those incurred in connection with the administration of the charity and compliance with constitutional and statutory requirements.

e Fixed assets and depreciation

Tangible fixed assets costing more than £500 are capitalised and included at cost including and incidental expenses of acquisition.

GRACE BAPTIST CHURCH, SOUTHPORT

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2022

2 VOLUNTARY INCOME

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Donations and gifts:				
Donations received	92,530	2,629	95,159	104,022
Gift aid reclaimed	20,186	-	20,186	18,084
Legacies received	9,143	-	9,143	103,759
Investment income:				
Bank interest received	1,478	-	1,478	2,170
Rental income	3,000	-	3,000	3,000
Other income:				
Other income	776	-	776	1,082
	<u>127,113</u>	<u>2,629</u>	<u>129,742</u>	<u>232,117</u>

3 COSTS OF CHARITABLE ACTIVITIES

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Administration costs:				
Wages and salaries	44,930	-	44,930	56,389
Pension costs	802	-	802	2,952
Administration	3,184	-	3,184	3,053
Other costs	9,266	-	9,266	10,095
Property costs:				
Repairs and maintenance	8,381	-	8,381	23,417
Utilities	13,898	-	13,898	9,438
Insurance	437	-	437	4,297
Property	-	-	-	3,971
Mission costs:				
Grants and donations	44,616	8,000	52,616	46,443
Youth work	626	-	626	942
Training	-	-	-	348
Support costs:				
Bank charges	504	-	504	499
Accountancy and bookkeeping	540	-	540	-
	<u>127,184</u>	<u>8,000</u>	<u>135,184</u>	<u>161,844</u>

GRACE BAPTIST CHURCH, SOUTHPORT

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2022

4 GOVERNANCE COSTS

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Independent examination	630	-	630	612
	<u>630</u>	<u>-</u>	<u>630</u>	<u>612</u>

5 TRUSTEES REMUNERATION

No trustee received any remuneration throughout the year except for Rev Stuart Harding and his wife who received a combined total of £17,240 (2021 - £31,264) for their role as church pastor and administrator but not in connection with his role as trustee.

6 EMPLOYEES

The average number of employees during the year were:

	2022 Number	2021 Number
Number (head count)	<u>2</u>	<u>3</u>

7 EMPLOYMENT COSTS

	2022 £	2021 £
Wages and salaries	44,501	56,389
Social security costs	429	-
Pension costs	802	2,952
	<u>45,732</u>	<u>59,341</u>

No employee earned more than £60,000 throughout the year (2021 - none).

GRACE BAPTIST CHURCH, SOUTHPORT

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2022

8 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Current assets	296,318	52,812	349,130	351,115
Current liabilities	(5,572)	-	(5,572)	(1,485)
	<u>290,746</u>	<u>52,812</u>	<u>343,558</u>	<u>349,630</u>

9 UNRESTRICTED FUNDS

	Balance at 1 Jan 22 £	Incoming Resources £	Resources Expended £	Transfers £	Balance at 31 Dec 22 £
General funds:	291,447	127,113	(127,814)	(120,200)	170,546
Designated funds:					
Electrical re-wire	-	-	-	20,000	20,000
Interim Pastor	-	-	-	50,000	50,000
Scholes interest	-	-	-	200	200
Pastor training	-	-	-	50,000	50,000
	<u>291,447</u>	<u>127,113</u>	<u>(127,814)</u>	<u>-</u>	<u>290,746</u>

During the year the trustees decided upon the major future costs that they plan to spend in the coming years and have designated amounts that they believe to best represent what is likely to be spent on those projects as described above.

The Scholes interest designated fund has been set up to attribute interest that has been received against the restricted fund until it is used. The restricted fund has no stipulation that investment income it generated was also to be restricted but the trustees decided that it was fair to designate an element of interest based on the average interest rate they have enjoyed throughout the year to this fund until it is used.

GRACE BAPTIST CHURCH, SOUTHPORT

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2022

10 RESTRICTED FUNDS

	Balance at 1 Jan 22 £	Incoming Resources £	Resources Expended £	Balance at 31 Dec 22 £
Bryan Scholes pastor training	50,000	-	-	50,000
Flowers rota	-	62	-	62
Minibus	-	135	-	135
Polish literature translation	8,183	-	(8,000)	183
Mission: -				
Christmas card scheme	-	220	-	220
Compassion Acts - Pantry	-	47	-	47
Pakistan member gifts	-	110	-	110
Peru member gifts	-	635	-	635
Ukraine member gifts	-	1,420	-	1,420
	<u>58,183</u>	<u>2,629</u>	<u>(8,000)</u>	<u>52,812</u>

Restricted funds represent donations and legacies from church members for specific missional giving as described above.