



Grace Baptist Church, Southport

FINANCIAL STATEMENTS AND TRUSTEES REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

<http://gracebaptist.org.uk/>

GRACE BAPTIST CHURCH, SOUTHPORT

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FOR THE YEAR ENDED 31 DECEMBER 2023

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GRACE BAPTIST CHURCH, SOUTHPORT

LEGAL AND ADMINISTRATIVE INFORMATION

FOR THE YEAR ENDED 31 DECEMBER 2023

Trustees:	Zelda Bentham Maciek Stolarski David Sutton Nathan Ward	appointed - 28 February 2023 appointed - 28 February 2023
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Treasurer:	Bill Harrison
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Charity number:	1130672
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Charity Address:	40 Market Street Southport PR8 1HJ
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Charity Website:	http://gracebaptist.org.uk/
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Independent Examiners:	O J Grills FCA J A Fell & Co 40 Hoghton Street Southport PR9 0PQ
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Bankers:	Lloyds Bank 23 London Street Southport PR9 0UX
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GRACE BAPTIST CHURCH, SOUTHPORT

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

The trustees submit their annual report and financial statements for the year ended 31 December 2023. 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 2023

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 2023

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 2023, 3 months unrestricted costs was calculated to be about £28,000, whilst the amount held in unrestricted reserves was £43,027. The trustees appreciate that this level is slightly 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 and have planned spending for 2024 which will utilise some of the reserves.

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 2023 income of £127,808 was received (2022 - £129,742). Expenditure during the year totalled £121,074 (2022 - £135,814) which generated a surplus for the year of £6,734 (2022 - £6,072 deficit).

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.

During the year the trustees agreed to review the designated funds and create a legacy fund and tithe fund to replace all other designated funds brought forward. An explanation of these can be found at note 9 to these accounts.

GRACE BAPTIST CHURCH, SOUTHPORT

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

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 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 2023

I report on the financial statements of the charity for the year ended 31 December 2023, 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 2023

	Notes	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
INCOMING RESOURCES					
Incoming resources from generated funds:					
Voluntary income:					
Donations and gifts	2	99,958	6,699	106,657	124,488
Investment income	2	19,270	-	19,270	4,478
Other income	2	1,715	166	1,881	776
TOTAL INCOMING RESOURCES		120,943	6,865	127,808	129,742
RESOURCES EXPENDED					
Charitable activities	3	108,545	8,555	117,100	135,184
Governance	4	3,974	-	3,974	630
TOTAL RESOURCES EXPENDED		112,519	8,555	121,074	135,814
NET INCOMING RESOURCES FOR THE YEAR		8,424	(1,690)	6,734	(6,072)
Fund balances at 1 January 2023		290,746	52,812	343,558	349,630
Fund balances at 31 December 2023		299,170	51,122	350,292	343,558

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

GRACE BAPTIST CHURCH, SOUTHPORT

BALANCE SHEET

AS AT 31 DECEMBER 2023

	Notes	Total funds 2023 £	Total funds 2022 £
CURRENT ASSETS			
Tax reclaim due		6,425	13,855
Cash at bank and in hand		348,102	330,615
Prepayments		4,042	-
PAYE refund due		-	4,660
		<u>358,569</u>	<u>349,130</u>
CURRENT LIABILITIES			
Accruals		7,911	4,609
PAYE owed		366	-
Other creditors		-	237
Pensions due		-	726
		<u>8,277</u>	<u>5,572</u>
NET CURRENT ASSETS		<u>350,292</u>	<u>343,558</u>
TOTAL NET ASSETS		<u>350,292</u>	<u>343,558</u>
FUNDS			
Restricted funds	10	51,122	52,812
Designated funds	9	256,143	120,200
Unrestricted funds		43,027	170,546
TOTAL FUNDS		<u>350,292</u>	<u>343,558</u>

Approved and signed on behalf of the board on 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 2023

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 2023

2 VOLUNTARY INCOME

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Donations and gifts:				
Donations received	78,271	6,699	84,970	95,159
Gift aid recoverable	18,687	-	18,687	20,186
Legacies received	3,000	-	3,000	9,143
Investment income:				
Bank interest received	6,555	-	6,555	1,478
Church rental income	3,500	-	3,500	3,000
Manse rental income	9,215	-	9,215	-
Other income:				
Other income	1,715	166	1,881	776
	120,943	6,865	127,808	129,742

3 COSTS OF CHARITABLE ACTIVITIES

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Administration costs:				
Wages and salaries	26,653	-	26,653	44,930
Pension costs	602	-	602	802
Administration	2,872	-	2,872	3,184
Other costs	8,754	-	8,754	9,266
Property costs:				
Repairs and maintenance	17,225	-	17,225	8,381
Utilities	10,988	-	10,988	13,898
Insurance	3,868	-	3,868	437
Mission costs:				
Grants and donations	25,343	8,555	33,898	43,967
Other ministry activities	2,398	-	2,398	2,939
Visiting speakers	7,862	-	7,862	5,710
Youth work	339	-	339	626
Training	455	-	455	-
Support costs:				
Bank charges	646	-	646	504
Accountancy and bookkeeping	540	-	540	540
	108,545	8,555	117,100	135,184

GRACE BAPTIST CHURCH, SOUTHPORT

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

4 GOVERNANCE COSTS

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Independent examination	741	-	741	630
Legal fees	3,233	-	3,233	-
	<u>3,974</u>	<u>-</u>	<u>3,974</u>	<u>630</u>

5 TRUSTEES REMUNERATION

No trustee received any remuneration throughout the year.

6 EMPLOYEES

The average number of employees during the year were:

	2023 Number	2022 Number
Number (head count)	<u>1</u>	<u>2</u>

7 EMPLOYMENT COSTS

	2023 £	2022 £
Wages and salaries	26,653	44,501
Social security costs	-	429
Pension costs	602	802
	<u>27,255</u>	<u>45,732</u>

No employee earned more than £60,000 throughout the year (2022 - none).

GRACE BAPTIST CHURCH, SOUTHPORT

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

8 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Current assets	307,447	51,122	358,569	349,130
Current liabilities	(8,277)	-	(8,277)	(5,572)
	299,170	51,122	350,292	343,558

9 UNRESTRICTED FUNDS

	Balance at 1 Jan 23 £	Incoming Resources £	Resources Expended £	Transfers £	Balance at 31 Dec 23 £
General funds:	170,546	120,943	(112,519)	(135,943)	43,027
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)	-
Legacy fund	-	-	-	230,529	230,529
Tithe fund	-	-	-	25,614	25,614
	290,746	120,943	(112,519)	-	299,170

During the year the trustees reviewed legacies that the church has received in the past and allocated those to a new designated legacy fund. The purpose of this designated fund is to separate those generous gifts for special and specific projects rather than be swept up into the general day to day running of the church.

In addition, a designated tithe fund has also been created at the end of the year and 10% of the designated legacy fund has been transferred into it as a starting balance for 2024. The designated tithe fund is setup as a mechanism to set to one side 10% of all income the church receives each year so that its regular giving can be better monitored and taken from that designated fund.

All previous designated funds have been removed and replaced by both the legacy and tithe fund as described above.

GRACE BAPTIST CHURCH, SOUTHPORT

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

10 RESTRICTED FUNDS

	Balance at 1 Jan 23 £	Incoming Resources £	Resources Expended £	Balance at 31 Dec 23 £
Bryan Scholes pastor training	50,000	-	-	50,000
Flowers rota	62	80	(142)	-
Minibus	135	76	-	211
Polish literature translation	183	-	-	183
Mission: -				
Christmas card scheme	220	352	(259)	313
Compassion Acts - Pantry	47	257	(304)	-
Madeira member gifts	-	485	(485)	-
Pakistan member gifts	110	305	-	415
Peru member gifts	635	2,080	(2,715)	-
Ukraine member gifts	1,420	3,230	(4,650)	-
	<u>52,812</u>	<u>6,865</u>	<u>(8,555)</u>	<u>51,122</u>

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