

# Hertford Baptist Church

*'Leading people into a growing relationship with Jesus Christ'*

Port Hill  
Hertford  
Hertfordshire

A registered place of worship

Registered Charity No 1131979

**Report of the Trustees**

**&**

**Accounts**

**1 January - 31 December 2020**

## HERTFORD BAPTIST CHURCH

### Report of the Trustees and Accounts for the year ended 31 December 2020

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The trustees are pleased to present their annual report together with the financial statement of the charity for the year ending 31<sup>st</sup> of December 2020 which is also prepared to meet the requirements for the Trustees report and accounts for submission to the Charities Commission.

The financial statements comply with the Charities Act 2011, and the 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) (effective 1 January 2015). The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved the adoption of the 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) as amended by the Update Bulletin for accounting periods beginning on or after 1 January 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has been withdrawn.

In preparing this report, the trustees have taken note of all the requirements and guidance issued by the Charity Commission including the specific guidance for religious charities on public benefit. The charity's policy is to prepare its accounts on an accruals basis and comply with approved accounting standards.

#### **Chair's report**

Hertford Baptist Church has risen admirably to the challenge presented by Covid-19 during 2020 in spite of a significant upheaval to the way it carries out its work and ministry in the community of Hertford. During 2020, the work of the church has been led, in partnership with the Leadership Team, by Andrew Clark as Pastor and Ministry Team Leader, with Dawn Weston as Team Leader for Pastoral Care and Prayer. Advertising in early 2020 for a Family and Children's Worker to supplement the team yielded no appointment being made, and with the advent of the pandemic, the recruitment process was put on hold. Our long-serving Office Secretary, Heather Read, resigned her post at the end of 2019 and Anna Sanders was appointed as part-time Office Administrator from February 2020. John Goligher continues as part-time Finance Administrator.

The year began with a strong focus on our key text for the year – '*Be strong and courageous. Do not be afraid; do not be discouraged, for the Lord your God will be with you wherever you go.*' (Joshua 1:9). This very quickly took on new significance as national lockdowns were announced in March, and as in-person services and activities were halted and much of our communication moved online via Facebook Live, Youtube and Zoom. Considerable pastoral work was undertaken to ensure vulnerable members were supported and reassured, particularly those who are elderly or who were instructed to enter shielding.

For much of the second and third quarters of 2020, Facebook Live was the host for live daily midday prayer services accessible to the whole community, and live Sunday morning and evening services were broadcast live each week before moving to pre-recorded worship services for the last quarter. This methodology has enabled the church to carry out its key purpose of teaching and preaching the gospel of the Lord Jesus Christ, and ministering to people's felt needs in the fellowship and beyond. Our online services have enabled us to significantly extend the reach of our preaching and teaching ministry.



## HERTFORD BAPTIST CHURCH

### Report of the Trustees and Accounts for the year ended 31 December 2020

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May 2020 was due to contain the Church Members Annual General Meeting, however this meeting was postponed due to the pandemic. In a Leadership Team meeting of trustees, the Church Officers (Church Secretary Nigel Hollingsworth and Treasurer Jon Thompson) agreed to serve for one more year. One Deacon, Paula Hine, whose three-year term expired in May 2020 agreed to take on an initial three year term, which will be ratified by vote in the next Church Members AGM. In December 2020, Jon Thompson became unable to continue his duties and so John Goligher was enlisted as Treasurer, serving until the next AGM in May 2021.

During 2020, Jon Thompson begun exploration of the requirements of becoming a CIO, and this work will be continued into 2021. The church had also launched in early 2020 on a 'Big Conversation' regarding the future direction of the church's ministry. As this was predicated on in person workshops and consultations, this work was put on hold.

In addition to our Sunday worship services, the church continues to be actively involved with the community throughout the week in many and varied ways, including providing key input to local organisations such as the Hertford and District Foodbank, FutureHope, Young Life and our continued facilitation of our Christians Against Poverty (CAP) Debt Centre in partnership with Christ Church Ware. Mrs Debs Thompson fulfils the role of Debt Coach in the CAP centre in behalf of Hertford Baptist Church and means that the church is actively seeking to reduce the impact of debt and poverty in the community. Through our 'Hope Fund', set up as a pastoral and relief support scheme during the pandemic, we have been able to provide financial gifts, food vouchers, and gifts of encouragement to those who have been vulnerable. We have been able to extend this encouragement and support to key workers in schools, the local food bank, and to the CAP debt centre clients.

This momentous year has stretched the ministry of the church in new directions, but we have made significant contributions to the lives of many people, and continue in our work to lead people into a growing relationship with Jesus Christ, serving the community, and adding hope and cohesion in a confusing season of life.

**Rev Andrew M Clark, MA**  
**Pastor and Ministry Team Leader**



## HERTFORD BAPTIST CHURCH

### Report of the Trustees and Accounts for the year ended 31 December 2020 (continued)

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#### OUR PURPOSES AND ACTIVITIES

The Core Purpose of the Church is "Leading people into a growing relationship with Jesus Christ." Our vision and value statements define the nature of the Church and its vision for growth. The church seeks to encourage individual members to demonstrate these values in their own lives and the Calls to Action of the church are expressed as 'Meet God', 'Make Friends', 'Make a Difference'.

The Church follows the doctrinal basis contained in its governing document and seeks to apply this in today's society and culture.

The Church's principal aim is to advance the Christian faith in Hertford and surrounding areas and through the Christian church nationally and worldwide, and to serve the spiritual, emotional, moral and physical needs of the local community. To help fulfil these objectives, Hertford Baptist Church maintains a registered place of worship and associated buildings, for Christian worship, fellowship, teaching and community activities. Under non pandemic conditions regular weekly public Sunday morning services are conducted on the premises. These historically attract between 150 – 170 people from the local community each week. In addition, we provide a wide range of weekday activities for all ages and many sections of society, to which all are welcome. To achieve the benefits of smaller scale group activities, Home Groups meet weekly for mutual encouragement and support.

However 2020 has been very different. The church closed for services within the building following government guidelines in March 2020. Weekly services have been prepared and run on line on a weekly basis since the lockdown.

In addition during the first lockdown daily midday prayers were on line. During the later part of the year as restrictions were lifted, arrangements were made for a number of prayer meetings and reflective services which were held in the church building. people wishing to attend had to pre book and arrangements were made within the building to ensure that we were COVID 19 compliant following Government and Baptist Union guidelines.

All other church based activities such as young peoples work, meetings for the elderly, golden lunch, brownies and toddlers club have been stopped during the year from meeting in the church building.

Young peoples work has continued on a weekly basis on line and when possible, complying with COVID rules, socially distanced in the open.

although the work with the elderly has stopped face to face people involved have been regularly communicated with by telephone.

Bible study groups within the church have migrated to Zoom or similar meetings.

In addition to our core purpose of the advancement of the Christian faith, and as an expression of that core purpose, the church seeks to provide additional public benefit through the provision of activities such as lunches for the elderly (once a month), support for those with learning disabilities (monthly), youth club run on the premises in conjunction with Hertford Young Life. as stated above all these activities have been suspended during the pandemic.

We continue engagement with the local community through the projects including the Food Bank, and Future Hope (working with young people dealing with crises such as addiction, mental health



## **HERTFORD BAPTIST CHURCH**

### **Report of the Trustees and Accounts for the year ended 31 December 2020 (continued)**

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problems and family breakdown), and we have linked to the church a branch of Christians Againsts Poverty (CAP) , this function has continues to run during 2020. The church also supports a variety of projects caring for the poorest and neediest around the world through social action and evangelism.

At the end of 2019 the staffing included a Pastor & Ministry team leader, a Team Leader for Pastoral Care & Prayer, one part-time administrator, a part-time secretary and a part-time cleaner. These employees work alongside over 150 voluntary workers without whom the church could not function.

## **ACHIEVEMENTS AND PERFORMANCE**

### **Staff**

Rev. Andrew Clark, has continued as Pastor & Ministry team leader.

Dawn Weston, team Leader for Pastoral Care was appointed in July 2019.

John Goligher has continued to work as Finance Administrator.

The Office Secretary, Anna Saunders, worked to support the functions of the Church. Anna saunders started her role at Hertford Baptist Church at the beginning of the year. Our part-time cleaner remains in post.

## **ACTIVITIES and ORGANISATIONS**

The church has maintained all its major areas of work during the year, although in a very different manner to previous years following the start of the COVID pandemic early in the year.

The church continued to offer a single morning service, since march 2020 this has been offered on line rather than in the church buildings. There were 268 Church Members at the end of the year. Before COVID approximately 156 adults and 26 young people attend one or more services on Sundays. The children and young people's activities, the toddler club and the regular meetings for more elderly folk are all well supported. Fifteen mid-week home groups meet regularly.

Since the start of the pandemic we have held weekly church services on line. At the time of broadcasting approximately 70 devices are recorded logging in but by the end of the week the viewing numbers are approximately 275 – 300.

As stated previously Youth and children's activities have continued throughout 2020 but in a very different format to previous years. Weekly online meetings have been run for 5 – 11 year olds and this has been led by Dawn Weston. Activities aimed at young people have been key to maintaining and growing these age groups in the church family. The work with older young people has grown and has been strengthened by the clear leadership and support of Ian & Jemma Chandler and their team and this has continued strongly during 2020 with on line contact and meeting up, socially distanced externally where appropriate.

The Church has been pleased to work closely with the Young Life organisation in Hertford through which a number of young people with little or no knowledge of Christianity have come to faith



## **HERTFORD BAPTIST CHURCH**

### **Report of the Trustees and Accounts for the year ended 31 December 2020 (continued)**

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during the year with a youth club being run in the church premises on a weekly basis. FutureHope, 'helping people in crisis gain hope and a future', focussing primarily on young people ages 11-19, and is supported by members of the Church.

A variety of groups and activities continue in their important work at Hertford Baptist Church. The premises were used at the start of the year on a weekly basis by a Homestart Group who work with young parents and children. Meeting in person at the church premises has been suspended since March 2020. It is hoped to resume as soon as government guideline allow.

The Hertford Foodbank continues to draw volunteers from Hertford Baptist Church and other churches in Hertford. Many people are involved in the organisation and there is a good partnership with other agencies working in the community.

The Crosslinks group at Hertford Baptist Church is particularly for adults (16+) with learning disabilities and is run by 19 leaders and helpers. This social network with a Christian foundation has been going for thirteen years. Crosslinks provide opportunities for fun, food and friendship as well as enabling individuals to express themselves spiritually. Members of the group are included and involved in worship and fellowship and are supported in making informed choices about Christianity. The meeting of this group has been suspended, particularly bearing in mind the vulnerability of the people involved, until the pandemic crisis is over.

The Church's work with Senior Citizens has been suspended since March 2020 until the end of the year due to the pandemic. Normally this would include Tuesday Fellowship and Tuesday Fellowship Activities draw 15 - 20 people and is enjoyed by all who attend. The monthly "Golden Lunch" welcomes around 70 people for a hot lunch and fellowship. Several times a year, a day-long event called CAMEO is organised when Seniors enjoy a day of recreation and fellowship together. Regular contact has been maintained with the senior citizens by the leaders of the groups throughout the year.

## **STRUCTURE GOVERNANCE AND MANAGEMENT**

### **Governing document**

Hertford Baptist Church is a charity registered with the Charity Commission No. 1131979, constituted as an Unincorporated Charitable Association. It is governed by a Foundation Trust Deed dated 16 November 1903 enrolled in the Central Office of the Supreme Court of Judicature on the 21 November 1903, by a constitution approved by the Charity Commission on 5 October 2009 and by Declaration of The Baptist Trusts for Churches 2003 and the Baptist Trusts for Manses 2004, dated 18 April 2006. The church is the beneficial owner of freehold property in Hertford, the legal title to which is held by the church's custodian trustee, the Baptist Union Corporation Ltd.

### **Appointment of trustees**

Hertford Baptist Church is a fully independent organisation and the Church Members' Meeting, held six times a year, is the decision-making body. The Church Members' Meeting appoints deacons who act as managing trustees. The appointment of trustees requires the support of not less than 50% eligible votes cast. Deacons are appointed for a period of three years and may serve for two consecutive periods of three years before being required to stand down for a minimum of one year. Two officers, a secretary and a treasurer, are elected annually and are ex officio deacons and managing trustees. Information is provided for those considering offering themselves for election as deacons and trustees, as is induction and ongoing training for those elected.



## **HERTFORD BAPTIST CHURCH**

### **Report of the Trustees and Accounts for the year ended 31 December 2020 (continued)**

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#### **Organisation**

The day-to-day programme and spiritual welfare of the church are directed by the the pastors, in consultation with the, Leadership and Staff Teams.

Individual deacons have a lead role in various aspects of the church's ministry. The pastor, deacons and trustees meet twice-monthly to determine, approve and monitor the strategy and programme of the church, to receive financial reports, and to undertake the management responsibilities of the charity, and also for prayer. They meet at least once annually for an extended meeting to consider strategic development.

Hertford Baptist Church is a member of the Baptist Union of Great Britain, its regional organisation the Central Baptist Association, and a number of other organisations with which it identifies, including the Evangelical Alliance and the local ecumenical group, Hertford and District Churches Together.

#### **Related parties and co-operation with other organisations**

With the exception of Pastors, who by nature of their appointment are trustees and also paid employees, none of the charities other trustees receive remuneration or other benefits from their work with the charity as trustees. John Goligher (Treasurer until 21<sup>st</sup> May 2019 when he retired as a trustee) is employed as the financial administrator for the church and was appointed to this position in November 2014. John Goligher was re-appointed as Church Treasurer in January 2021 following John Thompson's retirement from the Church Treasurer role in December 2020.

Any connection between a trustee and senior manager of the charity with a supplier or external organisation must be disclosed to the full board of trustees in the same way as any other contractual relationship with a related party. In the current year, no such related transactions were reported.

Hertford Baptist Church has a liability emanating from its participation in the Baptist Union Defined Benefit Pension Scheme; this scheme was closed at the end of 2011. This liability is a result of previously employed Ministers/Pastors being enrolled in the scheme while employed by Hertford Baptist Church. The trustees of the Baptist Union Pension Scheme had stated their intention that each participating church will have their actual debt calculated. As at 28/02/2017, the technical provisions deficit was £156 million, equating to an estimated debt of £208,300 for HBC.

The trustees considered it prudent to make a provision in the accounts to the value of £120,000 at the end of 2016 and increased this provision further at the end of 2017 by £10,000 making a total provision of £130,000. As the deficit has decreased over time, the deficit provision has been reduced by £10,000 at the end of 2017 and by a further £20,000 at the end of 2020. The current Baptist Union (defined benefit) pension scheme provision now stands at £100,000.

Various organisations are associated with the church and their leaders are appointed by the Church Members' Meeting. Some of these small organisations keep their own accounts and have separate bank accounts; none exceed £5,000 in income or expenditure per annum. Other unrelated organisations, which are compatible with the church's values, use the church premises and usually pay a nominal fee for doing so. There are no other legal or formal links with related parties.

#### **Pay policy for senior staff**

The pay of senior staff (including Pastors) is reviewed annually and normally increased in accordance with average earnings. In view of the nature of the charity, the trustees consider the advice of 'The Baptist Union of Great Britain' when setting pay levels.



## **HERTFORD BAPTIST CHURCH**

### **Report of the Trustees and Accounts for the year ended 31 December 2020 (continued)**

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#### **Risk management**

A policy of continuous risk assessment and review is adopted. A Health & Safety Policy Document was formally adopted by the Church Meeting in May 2004, and a Health & Safety Officer appointed. These policies are reviewed annually, and any revisions reported to the members at the AGM in May.

A range of risk assessments, action plans and work activities are carried out periodically. Formerly, a Safeguarding Children & Youth Policy and the Safeguarding Vulnerable Adults Policy was reviewed yearly and is adopted at the Church meeting. In September 2018, built on a model document from the Baptist Union, a new combined Safeguarding Policy and Procedures for Children, Young People and Adults at Risk was adopted and will now be reviewed and adopted annually as before.

Policies have been put in place during 2020 to ensure the organisation is complying with Government guidelines regarding the COVID pandemic. The church has purchased appropriate screens, hand sanitiser machines and installed necessary signage throughout the building to ensure that when the buildings are able to be opened up again to all those attending will be able to meet and worship in a COVID 'safe' environment. as part of this strategy agreement was reached to change all the old fabric covered chairs in the hall for new chairs that can easily be wiped down with necessary antiseptic products.

The church currently made a deficit contribution of 12% (£4,000) from January 2016 (previously 11% during 2015) into the BU defined benefit scheme and while these payments continue there is no immediate expectation that this debt will require to be paid. This contribution increased from 12% to 14% from January 2018 and the contribution for 2020 was £4,184.

During 2020 the trustees of the Baptist Union Pension DC contribution scheme took the decision to reduce the employers deficit contribution, HBC's deficit contribution for 2020 was £3,057. It should be noted that since February 2017 the estimated debt for HBC has steadily reduced and trustees believe that reducing our provision from £120,000 to £100,000 is both prudent and justified.

#### **FINANCIAL REVIEW**

Financial income is derived from voluntary donations and regular giving by church members and those who attend the church, supplemented by contributions to activities by those taking part, and some income from the hiring of the premises. Donations during the year of just under £152,500 were received through regular offerings. This was a decrease on the previous year and the budgeted target. This decline in the most part is due to impact of the COVID 19 pandemic. The church building has been closed for regular worship and therefore weekly cash offerings have not been possible.

A significant proportion of the church's income is given, by way of donations, to Christian mission and relief groups and training colleges, to individuals in training for Christian service; people engaged in Christian work, mostly overseas and through their commissioning organisations. These grants are approved annually by the Church Members' Meeting and no commitment is made to grants in advance or to future funding, with the funding for such grants being received during the year of payment. During 2020 the church was able, through the generosity of members and friends, to make donations to external causes amounting to £35,260 or about 16% of total non-capital expenditure. A small pastoral care fund is also available for immediate relief of need. Full disclosure of material grants made is included in the notes to the accounts including the names of individuals ultimately benefiting from material amounts.



## **HERTFORD BAPTIST CHURCH**

### **Report of the Trustees and Accounts for the year ended 31 December 2020 (continued)**

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Reserves at the end of the year stood at £213,115 before making provision of £100,000 for the shortfall in the BU Pension defined benefit scheme. This leaves a free reserve of £113,115 which is an increase of £ 25,035 on the previous year. The trustees consider the free reserve of £113,115 to be adequate for the future purposes of the church for the coming year.

Funds are 'restricted' when given for a specific purpose and generally these are disbursed before the end of the financial year. 'Designated' funds are funds designated by the managing trustees for a particular purpose, and in the interests of clarity, the tangible fixed assets of the church (land, buildings, fixtures and fittings) which are not normally available for general purposes are held as designated funds. The expectation is that funds will be used for the furtherance of the Church's objectives in the year received and there are no specific investment powers. The policy is that reserves of unrestricted funds (free reserves) should normally be not less than the equivalent of 3 months' expenditure and not exceed 12 months' expenditure. Reserves are currently the equivalent 4 months budgeted expenditure and the managing trustees consider this adequate for the year ahead. Reserve funds should be readily accessible. Cash investments should be retained in high interest, instant access, bank accounts.

The property should be used to further the aims of the Church and not used for investment purposes, except for short-term letting of the temporarily vacant housing.

#### **PLANS FOR FUTURE PERIODS**

Over the course of 2020, the Church was challenged to reflect on their own faith and desire to grow the Christian community within Hertford and the surrounding areas. This has progressed to us looking at how we can establish Missional Communities within our Church to reach out to those around us in a positive Christian manner and share the gospel with others in a practical and meaningful way.

Our Pastor, Andrew Clark is supported by Dawn Weston as Pastoral Care and Prayer Worker together with a team of office staff. We are proposing to appoint a Children and Families Worker to grow the team and reach out to families in particular. This position has been for from the 1<sup>st</sup> May 2021.

We are also reviewing the use of our premises and considering how we need to develop these facilities to enable better and wider use of the space to further support our mission of leading people into a growing relationship with Jesus Christ.

## **HERTFORD BAPTIST CHURCH**

### **Report of the Trustees and Accounts for the year ended 31 December 2020 (continued)**

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#### **COVID 19 - 2020**

The Church has continued to operate during the COVID 19 pandemic using electronic means for meetings and communications. One service is held online on a Sunday on Facebook live and, on average, 250 individuals or households participate, either during the live stream or by watching the recordings. The services are also made available on CD when requested. The other principal means of meeting is via Zoom. Zoom meetings have been used to maintain the Youth and Children's work, outreach to the community and Home Group meetings. These new forms of meetings have reached a wider audience than their physical equivalents and many people who would not ordinarily attend a church have been keen participants. A church newsletter has been prepared weekly and is distributed across the fellowship by email and post.

The Leadership Team has continued to meet regularly via Zoom. Its meetings are held privately using headphones to maintain confidentiality.

The COVID 19 pandemic has had some impact on the finances of the church. For the full year income was down by 6% a decline against budget of £13,865. However, expenditure also reduced during this time by £18,911 or 7%. Therefore there are currently no concerns with regard to cash flow.

In addition, a Hope Fund was set up to provide support and blessing to people in the fellowship or known to the church affected by the pandemic. This has received income in excess of £18k including gift aid.

#### **CUSTODIAN TRUSTEE**

No funds are held on behalf of others as Custodian Trustee.

#### **REFERENCE AND ADMINISTRATIVE DETAILS**

Charity number: 1131979

Church office: 13/15 Chambers Street, Hertford SG14 1PL

Telephone: 01992 582951

Email: [theoffice@hertfordbaptist.org.uk](mailto:theoffice@hertfordbaptist.org.uk)

Website: [www.hertfordbaptist.org.uk](http://www.hertfordbaptist.org.uk)

Bankers: Lloyds Bank plc, 5/6 Market Place, Hertford SG14 1DF  
(New address as at 25<sup>th</sup> January 2018)

Solicitors: Longmores, 24 Castle Street, Hertford SG14 1HP

Auditors: Cansdales Audit LLP, Chartered Accountants & Business Advisors,  
Bourbon Court, Nightingales Corner, Little Chalfont, Bucks HP7 9QS



## HERTFORD BAPTIST CHURCH

### Report of the Trustees and Accounts for the year ended 31 December 2020

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#### TRUSTEES

Pastor & Ministry Team Leader                      Rev. Andrew Clark appointed from Sept 2017\*\*

Pastoral Care & Prayer Worker                      Dawn Weston appointed from July 2019

The Managing Trustees when this report was approved were the Pastors named above and:

Caroline Davies    to May 2021

Jeremy Forrester    to May 2021

John Goligher    Appointed as Treasurer - January 2021

Nigel Hollingsworth                                      Church Secretary – to May 2021

Paula Hine    from May 2017

John Low    Church Secretary – May 2021

Rosalind McFiggans                                      to May 2021

Paul Nicholson    from May 2021

David Snell    from May 2021

Tim Strong    from 2016

Jonathan Thompson                                      to December 2020

Carey White    from July 2016

\*Church officers are appointed or re-appointed annually by members vote at the annual general meeting in May.

\*\* Andrew Clark appointed Pastor and Ministry Team Leader 20<sup>th</sup> November 2018

## HERTFORD BAPTIST CHURCH

### Report of the Trustees and Accounts for the year ended 31 December 2020 (continued)

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#### Statement of Trustees' Responsibilities:

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

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

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

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

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

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Approved by the Diaconate on the 8<sup>th</sup> of June and signed on their behalf by:



Thomas John S Goligher    Trustee



John Low    Trustee



## **Independent Auditor's Report to the Trustees of Hertford Baptist Church**

### **Opinion**

We have audited the financial statements of Hertford Baptist Church for the year ended 31 December 2020 which comprise the statement of financial activities, balance sheet and the related notes numbered 1 to 19 to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2020, and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with the United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

### **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 charity 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**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.



## **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 11, the trustees are responsible for the preparation of financial statements which 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 trustees are responsible for assessing the charity'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 charity or to cease operations, or have no realistic alternative but to do so.

## **Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 145 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

## **Use of Report**

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

CANSDALES Audit LLP, Statutory Auditor  
Chartered Accountants & registered Auditors

Bourbon Court  
Nightingales Corner  
Little Chalfont  
Bucks, HP7 9QS

Date:



# HERTFORD BAPTIST CHURCH

## Statement of Financial Activities for the year ended 31 December 2020

		Unrestricted Funds	Designated Funds	Restricted Funds	Total Funds 2020	Total Funds 2019
		£	£	£	£	£
<b>Income from:</b>						
Donations and legacies						
Regular Offerings		152,497	-	-	152,497	167,546
Special Gifts & Legacies		1,967	21,396	1,569	24,932	12,735
Thankoffering		-	930	-	930	10,031
Gift Aid recoverable		27,933	2,921	260	31,114	37,578
Charitable activities		284	-	-	284	2,240
Investments - bank interest		502	-	-	502	1,580
Other						
Use of property		34,013	-	-	34,013	21,959
Repayments		277	-	-	277	186
Government furlough schemes		1,102	-	-	1,102	-
<b>Total</b>		<b>218,575</b>	<b>25,247</b>	<b>1,829</b>	<b>245,651</b>	<b>253,855</b>
<b>Expenditure on:</b>						
Charitable Activities						
Local Ministry	Note 3	162,471	91,098	-	253,569	214,897
Support Costs	Note 4	11,998	-	-	11,998	15,398
Grants payable:						
National Mission	Note 5	11,116	-	-	11,116	10,220
World Mission	Note 5	18,623	-	2,007	20,630	15,871
Future Mission	Note 5	-	-	-	-	-
Thankoffering & Special	Note 5	-	3,252	262	3,514	10,303
<b>Total</b>	Note 6	<b>204,208</b>	<b>94,350</b>	<b>2,269</b>	<b>300,827</b>	<b>266,689</b>
<b>Net Income/(expenditure)</b>		<b>14,367</b>	<b>(69,103)</b>	<b>(440)</b>	<b>(55,176)</b>	<b>(12,834)</b>
<b>Transfers between Funds</b>		<b>(19,332)</b>	<b>19,332</b>	<b>-</b>	<b>-</b>	<b>-</b>
		<b>(4,965)</b>	<b>(49,771)</b>	<b>(440)</b>	<b>(55,176)</b>	<b>(12,834)</b>
<b>Other recognised Gains/(losses):</b>						
Actuarial gains/(losses) on defined benefit pension schemes		20,000	-	-	20,000	-
Gain/Loss on Fixtures, Fittings & Equipment written off or revalued					-	261,681
<b>Net Movement in Funds</b>		<b>15,035</b>	<b>(49,771)</b>	<b>(440)</b>	<b>(35,176)</b>	<b>248,847</b>
<b>Reconciliation of funds:</b>						
Total Funds Brought Forward	Notes 15, 16 & 17	98,080	2,134,167	3,512	2,235,759	1,986,912
<b>Total Funds Carried Forward</b>	Notes 15, 16 & 17	<b>113,115</b>	<b>2,084,396</b>	<b>3,072</b>	<b>2,200,583</b>	<b>2,235,759</b>

There are no recognised gains and losses other than the result for the year. All of the Church's activities are classed as continuing.

The notes numbered 1 to 20 form part of these accounts

Analysis of the comparative funds in the previous year (2019) is provided in Note 9.

# HERTFORD BAPTIST CHURCH

## Balance Sheet at 31 December 2020

		2020	2019
	Notes	£	£
<b>Fixed Assets:</b>			
Tangible Fixed Assets	Note 11	2,070,807	2,122,226
<b>Current Assets:</b>			
Debtors	Note 12	31,114	35,578
Cash at bank and in hand	Note 13	222,073	206,617
Total current assets		253,187	242,195
<b>Liabilities:</b>			
Creditors: amounts falling due within 1 year	Note 14	(23,411)	(8,662)
Net current assets or liabilities		229,776	233,533
Total assets less current liabilities		2,300,583	2,355,759
Creditors: amounts falling due after more than one year	Note 14	-	-
Provisions for liabilities		-	-
Net assets or liabilities excluding pension asset or liability		2,300,583	2,355,759
Defined benefit pension scheme asset or liability		(100,000)	(120,000)
<b>Total net assets or liabilities</b>		<b>2,200,583</b>	<b>2,235,759</b>
<b>The funds of the charity:</b>			
Unrestricted	Note 15	113,115	98,080
Designated	Note 16	2,084,396	2,134,167
Restricted	Note 17	3,072	3,512
		<b>2,200,583</b>	<b>2,235,759</b>

Approved by the Diaconate on 8th of June 2021 and signed on their behalf



by ....., Trustee

The notes numbered 1 - 19 form part of these accounts



# HERTFORD BAPTIST CHURCH

## Notes to the accounts for the year ended 31 December 2020

### 1. Accounting Policies

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

#### a. Basis of Preparation

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 (FRS 102) as amended by the Update Bulletin for accounting periods beginning on or after 1 January 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has been withdrawn and in accordance with charity law applicable in the UK.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. Hertford Baptist Church meets the definition of a public benefit entity under FRS 102.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

#### b. Preparation of the accounts on a going concern basis

The church currently has a membership of 262 and about 350 people attended one or more services on Sundays before the COVID 19 pandemic restrictions were introduced. The Church has continued to operate during the pandemic using electronic means for meetings and communications. Two services are held each Sunday on Facebook live and, on average, 250 individuals or households participate, either during the live stream or by watching the recordings. The services are also made available on CD when requested. The church relies on the continued support of the membership and others who attend services, and on their donations.

The pandemic has had an impact on the finances of the church. At the end of 2020 our regular offerings had reduced by 7% and total income by 6%. Operating restrictions applying during the COVID 19 pandemic have reduced expenditure in the same period by 7% of what was budgeted. There were no concerns regarding cash flow during 2020 and none foreseen for 2021. In addition, a Hope Fund was set up to provide support and blessing to people in the fellowship or known to the church affected by the pandemic. This has received income of £18,029 including gift aid.

The church's individual share of liability for the shortfall in the Baptist Union's Defined Benefit Pension Scheme (now closed, see note 1n) has been the subject of an actuarial calculation by the Baptist Union as at 31<sup>st</sup> of December 2016. At that time the value of the assets held in the scheme were valued at £219m. The target level of assets needed to pay benefits was £312m. The Deficit was £93m. Hertford Baptist Church had an estimated employer Debt as at the 31<sup>st</sup> December 2019 of £58,300. The estimated employer debt for Hertford Baptist Church as at the 31<sup>st</sup> December 2020 was £59,700. The estimated debt for Hertford Baptist Church has reduced considerably over the past years and may be more or less than has been provided for in these accounts.

On this basis these financial statements have been prepared on a going concern basis.

# HERTFORD BAPTIST CHURCH

## Notes to the accounts for the year ended 31 December 2020

### c. Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is more likely than not that the income will be received and the amount can be measured reliably and is not deferred.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is more likely than not that the income will be received and the amount can be measured reliably and is not deferred.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material. No such legacies have been notified for the current (2020) or previous (2019) years.

### d. Donated services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity, which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt. No such services or facilities have been donated in the current (2020) or previous (2019) years.

In accordance with the Charities SORP (FRS 102), the general volunteer time of the church members and wider church fellowship is not recognised in financial terms. Refer to the trustees' annual report for more information about their contribution.

### e. Interest Receivable

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

### f. Fund Accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the church. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. In the event of the intended purpose not requiring the money such funds could be returned to general use. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the church's work or for specific projects supported by the church. The church has no endowment funds.



# HERTFORD BAPTIST CHURCH

## Notes to the accounts for the year ended 31 December 2020

### g. Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. All expenditure is classified as relating to charitable activities. These activities are further classified between:

- Local Ministry (to which all governance and support costs are attributed)
- Grants payable

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

### h. Allocation of support costs

Support costs are those functions that assist the work of the church but do not directly undertake charitable activities. Support costs include office costs, payroll and other professional services and governance costs which support the church's activities. These costs have been allocated entirely to local ministry. Decisions on the awarding of grants do not incur support costs as they are made by the church members in the church meeting, based on information provided by the trustees and other members. No support staff time is attributable to the grant awarding process.

### i. Operating leases

The church classifies the lease of the office printer/copier as an operating lease; the title to the equipment remains with the lessor and the equipment is replaced every 5 years while the economic life of such equipment is normally 5 years. Rental charges are charged on a straight line basis over the term of the lease.

### j. Tangible fixed assets

In December 2011 all freehold land and buildings were surveyed and revalued at current market rates by Iain Davies MRICS and on the advice of the auditors values for land and buildings were assessed separately. The church and halls are shown at their fair value for realistic alternative use of £600,000. 13/15 Chambers Street, Hertford, currently used as offices and meeting rooms, are shown at the fair value assigned to them if they were to revert to residential use. Buildings improvements, fixtures, fittings and equipment costing £4,000 or more are capitalised at cost.

Freehold land is not depreciated. Other fixed assets are depreciated over their estimated useful economic lives on a straight line basis as follows:

Freehold buildings are depreciated over 50 years following the revaluation in 2011.

Fixtures, fittings and equipment are depreciated at a rate of 10% per annum. On this basis, the organ, pews and other fixtures and fittings within the church would have been fully depreciated at 31 December, 2019. As these items are all in continuing use, they were revalued at their insurance valuations at 31 December 2019; organ £146,748 (2018 NBV £4,485) pews, etc. £121,480 (2018 NBV £2,062). They have been depreciated in the current year at a rate of 10% per annum.

### k. Debtors

Debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid net of any trade discounts due.

# HERTFORD BAPTIST CHURCH

## Notes to the accounts for the year ended 31 December 2020

### l. Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening the deposit or similar account. These short term highly liquid investments are valued at the initial investment value.

### m. Creditors and accruals

Creditors and accruals are recognised when the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party, and the amount due to settle the obligation can be measured or estimated reliably. Creditors and accruals are normally estimated at their settlement amount after allowing for any trade discounts due.

### n. Pensions

The Church is an employer participating in a pension scheme known as the Baptist Pension Scheme ("the Scheme"). The Scheme is a separate legal entity which is administered by the Pension Trustee (Baptist Pension Trust Limited).

The Ministers are eligible to join the Scheme, which is not contracted out of the State Second Pension.

Since January 2012, pension provision has been made through the Defined Contribution (DC) Plan within the Scheme.

In general, members pay 8% of their Pensionable Income and employers pay 6% of members' Pensionable Income into individual pension accounts, which are operated and managed on behalf of the Pension Trustee by Legal and General Life Assurance Society Limited. In addition, the employer pays a further 4% of Pensionable Income (or 3% if the employer is in the segregated DC section) to cover Death in Service Benefits, administration costs, and an associated insurance policy which provides income protection for Scheme members in the event that they are unable to work due to long-term incapacity. This income protection policy has been insured by the Baptist Union of Great Britain with Unum Limited. Members of the Basic Section pay reduced contributions of 5% of Pensionable Income, and their employers also pay a total of 5%.

Benefits in respect of service prior to 1 January 2012 are provided through the Defined Benefit (DB) Plan within the Scheme. The main benefits for pre-2012 service were a defined benefit pension of one eightieth of Final Minimum Pensionable Income for each year of Pensionable Service, together with additional pension in respect of premiums paid on Pensionable Income in excess of Minimum Pensionable Income. The Scheme, previously known as the Baptist Ministers' Pension Fund, started in 1925, but was closed to future accrual of defined benefits on 31 December 2011.

A formal valuation of the Defined Benefit (DB) Plan was performed at 31 December 2019 by a professionally qualified Actuary using the Projected Unit Method. The market value of the DB Plan assets at the valuation date was £298 million.

The valuation of the DB Plan showed a deficit of assets compared with the value of liabilities of £18 million (equivalent to a past service funding level of 94%). As a result of the valuation, in addition to the contributions to the DC Plan set out above, it was agreed that the standard rate of deficiency contributions from churches and other employers involved in the DB Plan will remain at previously agreed levels, increasing each year in line with increases in the Minimum Pensionable Income. The deficiency contributions are broadly based on 12% of Pensionable Income / Minimum Pensionable Income, reflecting each employer's contributions in March 2015. Some employers that were involved in the DB plan for a short period pay lower contributions. The Trustee and the Council agreed a 50% reduction for all deficiency contributions payable between 1 July 2020 to 31 December 2020.



# HERTFORD BAPTIST CHURCH

## Notes to the accounts for the year ended 31 December 2020

In addition, the Baptist Union of Great Britain agreed to contribute a lump sum of £0.5m by 31 December 2020. The current Recovery Plan dated 30 September 2020 envisages deficiency contributions continuing until 30 June 2026.



The key financial assumptions underlying the valuation were as follows:

Type of assumption	% pa
RPI price inflation assumption	3.20
CPI price inflation assumption	2.70
Minimum Pensionable Income increases (CPI plus 1.0% pa)	3.20
Assumed investment returns	
- Pre-retirement	2.95
- Post retirement	1.70
Deferred pension increases	
- Pre April 2009	3.20
- Post April 2009	2.50
Pension increases	2.70

As there is a large number of contributing employers participating in the Scheme, the Church is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, due to the nature of the Scheme, the profit and loss charge for the period represents the employer contributions payable. The total pension cost for the Church is £8,182 (2019 £10,589).

Consequent upon the departure of the Minister from the church in any given year, the Church would have a cessation event under Section 75 of the Pensions Act 1995. This makes the Church liable for the proportion of the overall deficit (assessed by reference to the cost of securing benefits by the purchase of annuities) applicable to its previous Ministers who were members of the Scheme. It is not possible to quantify this debt without an actuarial calculation. In order to avoid the cost of such a calculation and because the church may not be able to continue its charitable activities following payment of the employer debt which arises upon a cessation event, the Pension Scheme Trustee (after consulting the Pensions Regulator) is not currently pursuing the employer debt, but is instead permitting the church to pay the ongoing deficiency contributions outlined above. However, the Pension Scheme Trustee has the right to quantify and seek payment of the debt at any time at its discretion.

The next actuarial valuation of the DB Plan within the Scheme is due as at 31 December 2022.

As an employer, the church does not contribute to any other defined benefit pension schemes in respect of other employees.

# **HERTFORD BAPTIST CHURCH**

Notes to the accounts for the year ended 31 December 2020

## **2. Legal Status of the Church**

Hertford Baptist Church is a registered charity no. 1131979 and the church building is a registered place of worship.



# HERTFORD BAPTIST CHURCH

Notes to the accounts for the year ended 31 December 2020

## 3. Local Ministry

	Unrestricted	Designated	Restricted	Total	Total
	2020	2020	2020	2020	2019
	£	£	£	£	£
Premises	26,063	-	-	26,063	31,372
Depreciation	-	72,304	-	72,304	44,631
Ministry	64,594	-	-	64,594	58,808
Church Activities	7,369	40	-	7,409	12,409
Outreach Activities	459	18,754	-	19,213	4,919
Enabling Activities	63,986	-	-	63,986	62,727
Bank charges	-	-	-	-	31
	162,471	91,098	-	253,569	214,897
2019 totals for unrestricted, designated and restricted funds	166,087	48,192	618		214,897

## 4. Support Costs

	2020	2019
	£	£
Audit fee	5,094	5,101
Professional fees	5,618	8,435
Secretarial	1,286	1,862
	11,998	15,398

Governance costs are attributed entirely to local ministry (see note 1h) and unrestricted funds in both 2020 and 2019. The Professional fees relate to other financial services from the auditor, letting agent's fees and advice regarding GDPR policies.

# HERTFORD BAPTIST CHURCH

Notes to the accounts for the year ended 31 December 2020

## 5. Grants for Mission

		Unrestricted 2020 £	Designated 2020 £	Restricted 2020 £	Total 2020 £	Total 2019 £
<b>National Mission</b>						
Baptist Home Mission (CBA)	(1)	6,116	-	-	6,116	5,220
Future Hope	(1)	3,125	-	-	3,125	2,500
Hertford Young Life	(1)	1,875	-	-	1,875	2,500
Others	-	-	-	-	-	-
		11,116	-	-	11,116	10,220
2019 totals for unrestricted, designated and restricted funds	(3)	10,220	-	-		10,220
<b>World Mission</b>						
BMS World Mission	(1)	8,207	-	1,967	10,174	5,220
BMS Relief Fund	-	-	-	-	-	-
Other societies	(1)	900	-	-	900	50
People International (to support a couple)	(1)	3,690	-	-	3,690	3,600
SIM (to support 1 person)	(1)	2,061	-	-	2,061	2,061
Interserve (M LeRoy)	(1)	1,365	-	-	1,365	1,340
OM (Matiza Family)	(1)	2,400	-	40	2,440	3,600
		18,623	-	2,007	20,630	15,871
2019 totals for unrestricted, designated and restricted funds	(6)	15,821	-	50		15,871
<b>Future Mission</b>						
Spurgeons College	-	-	-	-	-	-
All Nations Christian College	-	-	-	-	-	-
Training Support	-	-	-	-	-	-
		-	-	-	-	-
2019 totals for unrestricted, designated and restricted funds		-	-	-		-
<b>Thankoffering &amp; Special Appeal</b>						
Thankoffering	(1)	-	3,252	-	3,252	10,092
Special Appeal	(1)	-	-	262	262	211
		-	3,252	262	3,514	10,303
2019 totals for unrestricted, designated and restricted funds	(2)	-	10,303	-		10,303

11 (2019: 12) separate grants were paid out to institutions. The number of grants made in each category are disclosed above in brackets. Some single grants are paid in monthly or quarterly instalments. No support costs are apportioned to the payment of grants to Mission.



# HERTFORD BAPTIST CHURCH

Notes to the accounts for the year ended 31 December 2020

## 6. Total Expenditure

	Staff Costs £	Premises Costs £	Other Costs £	Total 2020 £	Total 2019 £
Local Ministry	104,616	26,063	122,890	253,569	214,897
National Mission	-	-	11,116	11,116	10,220
World Mission	-	-	20,630	20,630	15,871
Future Mission	-	-	-	-	-
Thankoffering	-	-	3,252	3,252	10,092
Special Appeals	-	-	262	262	211
Governance	-	-	11,998	11,998	15,398
	104,616	26,063	170,148	300,827	266,689

Total expenditure was £300,827 (2019: £266,689) of which £204,208 was unrestricted (2019: £207,526) £94,350 was designated (2019: £58,495) and £2,269 was restricted (2019: £668).

## 7. Analysis of staff costs, trustee remuneration and expenses and the cost of key management personnel

	2020 £	2019 £
Stipends, Expenses & Wages	93,005	90,547
Social Security Costs	3,429	3,858
Pensions Costs	8,182	10,589
	104,616	104,994

No employees had employee benefits in excess of £60,000 (2019: nil). Pension costs are allocated to activities in proportion to the related staffing costs incurred and are wholly charged to unrestricted funds.

2 pastors were remunerated £56,050 (2019: 3 pastors £48,099) using scales recommended by the Baptist Union and according to the relevant agreement with the Charity Commission. No trustee was remunerated (2019: 1 trustee £6,648 for work not related to his role as a trustee) during the year.

No charity trustee received payment for professional or other services supplied to the charity (2019: nil).

During the year, phone, travel and meal expenses totalling £559 were reimbursed to 2 pastors and 1 trustee (2019: phone, travel and meal expenses of £1,408 to two pastors and 1 trustee). In addition, 2 pastors and 2 trustees made purchases totalling £5,410 on behalf of the church and were reimbursed (2019: 2 pastors and 2 trustees, £1,955).

In addition to the trustees, the key management personnel of Hertford Baptist Church comprise the church office secretary and the administrator (who are employees) and the two cashiers and the youth and children's work administrator (who are volunteers). The total employee benefits of the key management personnel of the trust who are not trustees (3 individuals) were £32,484 (2019: 3 individuals, £31,871). During the year, travel expenses totalling £47 were reimbursed to 1 member of key management personnel (2019: Nil). In addition, 2 key management personnel (non-trustees) made purchases totalling £181 on behalf of the church and were reimbursed (2019: 2 key management personnel (non trustees), £157).

## 8 Staff Numbers

### Average Number of Employees

	2020 Number	2019 Number
Ministers	1	1
Team Leader for Pastoral Care & Prayer	1	1
Secretaries/Administrators (all part-time)	2	2
Cleaner (part-time)	1	1
	5	5

# HERTFORD BAPTIST CHURCH

Notes to the accounts for the year ended 31 December 2020

## 9 Comparative figures (2019) for the separate classes of funds shown in total on the face of the SOFA

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total Funds 2019 £
<b>Income from:</b>				
Donations and legacies				
Regular Offerings	167,546	-	-	167,546
Special Gifts & Legacies	5,800	4,686	2,249	12,735
Thankoffering	-	10,031	-	10,031
Gift Aid recoverable	34,504	2,684	390	37,578
Charitable activities	2,240	-	-	2,240
Investments - bank interest	1,580	-	-	1,580
Other				-
Use of property	21,959	-	-	21,959
Repayments	186	-	-	186
<b>Total</b>	<b>233,815</b>	<b>17,401</b>	<b>2,639</b>	<b>253,855</b>
<b>Expenditure on:</b>				
Charitable activities				
Local Ministry	166,087	48,192	618	214,897
Support Costs	15,398	-	-	15,398
Grants payable:				
National Mission	10,220	-	-	10,220
World Mission	15,821	-	50	15,871
Future Mission	-	-	-	-
Thankoffering & Special	-	10,303	-	10,303
<b>Total</b>	<b>207,526</b>	<b>58,495</b>	<b>668</b>	<b>266,689</b>
<b>Net Income/(Expenditure)</b>	<b>26,289</b>	<b>(41,094)</b>	<b>1,971</b>	<b>(12,834)</b>
<b>Transfers between Funds</b>	<b>(3,258)</b>	<b>4,298</b>	<b>(1,040)</b>	<b>-</b>
	<b>23,031</b>	<b>(36,796)</b>	<b>931</b>	<b>(12,834)</b>
<b>Other recognised Gains/(Losses)Gains &amp; (Losses)</b>				
Actuarial gains/(losses) on defined benefit pension scheme	-	-	-	-
Gain/Loss on fixtures, fittings and equipment written off or revalued		261,681		261,681
<b>Net Movement in Funds</b>	<b>23,031</b>	<b>224,885</b>	<b>931</b>	<b>248,847</b>
<b>Reconciliation of Funds:</b>				
Total Funds Brought Forward at 1 January 2019	75,049	1,909,282	2,581	1,986,912
Total Funds Carried Forward at 31 December 2019	<b>98,080</b>	<b>2,134,167</b>	<b>3,512</b>	<b>2,235,759</b>



# HERTFORD BAPTIST CHURCH

## Notes to the accounts for the year ended 31 December 2020

### 10 Related party transactions

Close family members of the trustees and key management personnel of Hertford Baptist Church are regarded as related parties for the purposes of these accounts. The majority of these people are themselves members of the church.

The total amount of donations received without conditions from trustees and connected parties was £27,683 (2019 £30,981).

No expenses were paid to any related party (2019: nil). 1 person related to the trustees made purchases totalling £367 on behalf of the church and was reimbursed (2019: 1 related party, £430).

No reimbursements were made to parties related to the key management personnel (2019: nil).

No payments were made to the husband of a church office secretary for work (2019: £2,282 for decorating and cleaning work) carried out by him as a contractor on behalf of the church. The daughter-in-law of one of the trustees was paid £963 for book-keeping work (2019: Nil) carried out by her on behalf of the church.

### 11. Tangible Fixed Assets

Cost/Valuation	Freehold Land £	Freehold Buildings £	Fixtures, Fittings & Equipment £	Total £
At 1 January 2020	468,000	1,595,220	397,565	2,460,785
Disposals	-	-	-	-
Revaluation	-	-	-	-
Additions	-	-	20,885	20,885
At 31 December 2020	468,000	1,595,220	418,450	2,481,670
<b>Depreciation</b>				
At 31 December 2019	-	251,696	86,863	338,559
Disposals	-	-	-	-
Revaluation	-	-	-	-
Charge for the year	-	31,697	40,607	72,304
At 31 December 2020	-	283,393	127,470	410,863
<b>Net Book Value</b>				
At 31 December 2020	468,000	1,311,827	290,980	2,070,807
At 31 December 2019	468,000	1,343,524	310,702	2,122,226

#### Freehold Land and Buildings

In December 2011 all freehold land and buildings were surveyed and revalued at current market rates by Iain Davies MRICS and on the advice of the auditors values for land and buildings were assessed separately. The church and halls are shown at their fair value for realistic alternative use of £600,000. 13/15 Chambers Street, Hertford, currently used as offices and meeting rooms, are shown at the fair value assigned to them if they were to revert to residential use.

The value of buildings will be depreciated over 50 years under FRS 15 following the valuation in December 2011. Fixtures, fittings and equipment are depreciated at a rate of 10% per annum on the valuation figure.

### 12. Debtors

	2020 £	2019 £
Other debtors	-	-
Income Tax Recoverable	31,114	35,578
	31,114	35,578

# HERTFORD BAPTIST CHURCH

Notes to the accounts for the year ended 31 December 2020

## 13. Cash at Bank and In Hand

	2020 £	2019 £
Bank Accounts	222,016	206,469
Petty Cash	57	148
	<u>222,073</u>	<u>206,617</u>

## 14. Liabilities

	2020 £	2019 £
Payroll liabilities	5,810	2,716
Accruals	17,601	5,946
	<u>23,411</u>	<u>8,662</u>
Creditors Due > 1 year	-	-
	<u>-</u>	<u>-</u>

## 15. Unrestricted Funds

	Balance 1.1.20 £	Incoming £	Outgoing £	Transfers £	Pension Liability £	Balance 31.12.20 £
General Church Funds	98,080	218,575	204,208	(19,332)	20,000	113,115

A transfer was made to Designated Funds to reflect capitalised improvements to the church's fixtures and fittings. The balance of funds related to the Christians Against Poverty project was transferred to General Funds as the project is now supported as part of the General work of the church.

## 16. Designated Funds

	Balance 1.1.20 £	Incoming £	Outgoing £	Transfers £	Gains and losses £	Balance 31.12.20 £
Thankoffering	5,832	930	3,252	-	-	3,510
Training Support	981	450	-	-	-	1,431
Other designated donations	5,128	23,867	18,794	(1,553)	-	8,648
	<u>11,941</u>	<u>25,247</u>	<u>22,046</u>	<u>(1,553)</u>	<u>-</u>	<u>13,589</u>
Tangible fixed assets	2,122,226	-	72,304	20,885	-	2,070,807
	<u>2,134,167</u>	<u>25,247</u>	<u>94,350</u>	<u>19,332</u>	<u>-</u>	<u>2,084,396</u>

The Thankoffering funds are raised each year for specific causes. The Training Support Fund supports individuals training for Christian service through full or part-time courses or on training placements. The balance of funds related to the Christians Against Poverty project was transferred to General Funds as the project is now supported as part of the General work of the church.

The Tangible Fixed Assets Fund (TFAF) is set aside to represent the net book value of the property of the church. £20,885 was transferred from General Funds to the TFAF to reflect the capitalisation of internet infrastructure in accordance with the accounting policies.



# HERTFORD BAPTIST CHURCH

Notes to the accounts for the year ended 31 December 2020

## 17. Restricted Funds

	Balance 1.1.20 £	Incoming £	Outgoing £	Transfers £	Gains and losses £	Balance 31.12.20 £
Baptist societies	1,816	1,305	1,967	-	-	1,154
Others	1,696	524	302	-	-	1,918
	3,512	1,829	2,269	-	-	3,072

Baptist societies and other funds are ongoing funds held for specific societies, the majority of which are paid out in the course of the year.

## 18. Analysis of Net Assets Between Funds

	Tangible Fixed Assets £	Net Current Assets £	Total Assets £
Unrestricted Funds (note 15)	-	113,115	113,115
Designated Funds (note 16)	2,070,807	13,589	2,084,396
Restricted Funds (note 17)	-	3,072	3,072
	2,070,807	129,776	2,200,583

## 19. Operating lease commitments

At 31 December 2020 there were commitments under operating leases expiring in two to five years of £828 (2019: £1,932). None of the commitments relates to land and buildings.

Of this £828, £828 was payable not later than one year (2019: £1,104) and nothing was payable later than one year and not later than 5 years (2019: £828).

## 20. Post Balance Sheet

Since March of 2020, the COVID-19 pandemic has had a significant impact on organisations worldwide. As a result operations have been restricted although they are continuing to be performed remotely and in house where possible. There has been a financial impact on the current organisation, which, so far, it has been able to absorb.

The longer term impact once the organisation starts to move out of current restrictions has yet to be seen. The trustees are continuing to monitor, assess and act in response to the current changing environment and guidelines.

# HERTFORD BAPTIST CHURCH - Summary of Accounts

Statement of Financial Activities for the year ended 31 December 2020

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total Funds 2020 £	Total Funds 2019 £
<b>INCOME &amp; EXPENDITURE</b>					
<b>Income from:</b>					
Donations and legacies					
- Regular Offerings	152,497	-	-	152,497	167,546
- Special Gifts & Legacies	1,967	21,396	1,569	24,932	12,735
- Thankoffering	-	930	-	930	10,031
- Gift Aid recoverable	27,933	2,921	260	31,114	37,578
Charitable Activities	284	-	-	284	2,240
Activities which generate funds					
- Use of property	34,013	-	-	34,013	21,959
- Repayments	277	-	-	277	186
- Bank interest	502	-	-	502	1,580
- Government furlough schemes	1,102	-	-	1,102	-
<b>Total</b>	<b>218,575</b>	<b>25,247</b>	<b>1,829</b>	<b>245,651</b>	<b>253,855</b>
<b>Expenditure on:</b>					
Charitable Activities					
Local Ministry	162,471	91,098	-	253,569	214,897
Governance Costs	11,998	-	-	11,998	15,398
Grants payable:					
- National Mission	11,116	-	-	11,116	10,220
- World Mission	18,623	-	2,007	20,630	15,871
- Future Mission	-	-	-	-	-
- Thankoffering & Special	-	3,252	262	3,514	10,303
<b>Total</b>	<b>204,208</b>	<b>94,350</b>	<b>2,269</b>	<b>300,827</b>	<b>266,689</b>
Net Income/(expenditure)	14,367	(69,103)	(440)	(55,176)	(12,834)
Transfers between funds	(19,332)	19,332	-	-	-
	(4,965)	(49,771)	(440)	(55,176)	(12,834)
Actuarial Gains/(losses) on defined benefit pension scheme	20,000	-	-	20,000	-
<b>Net Movement in Funds</b>	<b>15,035</b>	<b>(49,771)</b>	<b>(440)</b>	<b>(35,176)</b>	<b>248,847</b>
Total Funds brought forward at 1/1/20	98,080	2,134,167	3,512	2,235,759	1,986,912
<b>Total Funds carried forward at 31.12.20</b>	<b>113,115</b>	<b>2,084,396</b>	<b>3,072</b>	<b>2,200,583</b>	<b>2,235,759</b>

## Balance Sheet at 31 December 2020

	2020 £	2019 £
<b>Fixed Assets</b>		
Tangible Fixed Assets	2,070,807	2,122,226
<b>Current Assets</b>		
Debtors	31,114	35,578
Cash at bank & in hand	222,073	206,617
<b>Liabilities</b>		
amounts falling due within 1 year	(23,411)	(8,662)
<b>Net Current Assets</b>	<b>229,776</b>	<b>233,533</b>
Defined benefit pension scheme net asset or liability	(100,000)	(120,000)
<b>Net Assets</b>	<b>2,200,583</b>	<b>2,235,759</b>
<b>Funds</b>		
Unrestricted	113,115	98,080
Designated	2,084,396	2,134,167
Restricted	3,072	3,512
	<b>2,200,583</b>	<b>2,235,759</b>