

Hornchurch Baptist Church

Report and Accounts

Year ended 31 March 2023

Stewardship 
Active generosity

1 Lamb's Passage, London EC1Y 8AB
www.stewardship.org.uk

HORNCHURCH BAPTIST CHURCH
LEGAL AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 MARCH 2023

ADDRESS FOR CORRESPONDENCE	21 North Street Hornchurch Essex RM11 1RL
GOVERNING DOCUMENT	Constitution adopted 17 September 2008 as amended on 14 June 2015
CHARITY REGISTRATION NUMBER	1132574
TRUSTEES RESPONSIBLE FOR MANAGING THE CHARITY	Rev. Vivienne Alexander (resigned June 2023) Akwasi Addai-Diawuo Ifeoma Amadi Jean Hart Nigel Hooton (appointed November 2022) Suzanne Humphreys Mark McConnell (resigned November 2022) Lesley Mason Susan Pannell (appointed November 2022) Howard Thomas (appointed November 2022)
CUSTODIAN TRUSTEES	London Baptist Property Board Ltd.
BANKERS	National Westminster Bank plc
INDEPENDENT EXAMINER	Jaimée Young Stewardship 1 Lamb's Passage LONDON EC1Y 8AB

INDEX

Page 1	Legal and Administrative Details
Pages 2-4	Trustees' Report
Page 5	Independent Examiner's Report
Page 6	Receipts and Payments Account
Page 7	Statement of Assets & Liabilities
Pages 8-9	Notes to the Accounts

HORNCHURCH BAPTIST CHURCH
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2023

The Trustees have pleasure in submitting the Report and Accounts for the year ended 31 March 2023.

Objects of the charity

The charity, which is a church, is governed by a trust deed and is constituted as a trust. The principal purpose is the advancement of the Christian faith according to the principles of the Baptist denomination. The church may also advance education and carry out other charitable purposes in the United Kingdom and/or other parts of the world. The Trust seeks to provide information about Jesus Christ to enable enquirers to make an informed choice about accepting Christ as their personal Saviour and to provide a church family to welcome, nurture and support its members.

The church is not a building, but a gathering of ordinary people of different ages and backgrounds, whose lives have been changed by Jesus Christ, the Son of God. The New Testament reveals the Church as a community people, properly taught and cared for, who by loving and serving Jesus Christ, are also committed to love and care for each other and to bring a blessing to the area in which they lived.

Hornchurch Baptist Church [HBC], its trustees and members are committed to the restoration of those New Testament principles. It is not alone in this, it is one of many churches in the area, country and all over the world that is rediscovering the excitement of knowing Jesus Christ. The vision is to see the people of Hornchurch and its surrounding area come into the experience of knowing Jesus as their Lord, Saviour and Friend.

Review of the charity's main activities and achievements

In planning the activities, the Trustees have applied the guidance on public benefit issued by the Charity Commission.

On-site church services restarted after Covid lockdown (during which online services were provided for the church community).

A number of members did not return but a smaller number joined the church as regular attendees.

Services were well led and supported by our minister and worship group providing fellowship, teaching and encouragement to deepen Christian understanding and faith.

The church has provided Sunday school classes for the children where they learn about the Bible and Christian teachings in an engaging and fun way, doing crafts and playing games as well as learning by reading and talking.

The Young People's group, Hothouse, has also met during the service on most Sundays allowing the 11–18 year-olds to discuss, to form friendships and share with their leaders. Some of the young people have been trained to use the sound desk and learn new skills.

One of the church members has started organising regular Games Afternoons on Saturday afternoons where families with younger children can meet to socialise and form deeper friendships. These have been well attended and much appreciated by some families who do not regularly come to church on Sundays.

The church has held some more informal café-style services, initially for special occasions such as the Jubilee and Coronation as well as a visit from our link missionaries in Kosovo. These have proved popular and provided a good way to build relationships within the fellowship as well as being appealing to those who don't attend regularly.

Our Parent/carer and Toddler group continues weekly and is very popular. The leaders continue to build positive relationships and to provide support to families with young children from the local area.

The Women's Bible study group has been meeting weekly and has increased in number. This group provides fellowship and friendship for women within the church but has also welcomed some new members who do not normally attend HBC.

The weekly prayer meeting, held in church and on Zoom on Saturday mornings, continues to meet faithfully to pray for the church, the community and the wider world. This group seeks God's guidance for the future of the church and also provides Bible study and fellowship.

Three new Deacons were elected in Nov 2022, and one stood down after serving faithfully for 6 years. The church secretary retired in Nov 2022 and a new deacon took on the role. The church also appointed a Treasurer who is supported by a new Finance Team which meets regularly.

The church building has been occasionally used by outside groups such as Citizens' Advice, a local charity "Stand by Me", Street Pastors and occasionally by other churches who have used our building for baptism services.

The church continued to support (financially and in prayer and encouragement) the work of Stand by Me, our two members working for BMS in Kosovo and our church member who is pioneering life-saving treatments and technology for neonates in Nigeria.

During the year our Pastor announced her retirement and she left in June 2023. We have been appointed a moderator (Rev. Andy Drake) who will guide and support us through the process of finding a new minister. Thus, the year has been one of preparing for this and for reflecting and looking forward.

Financial review

During the year income increased by £2,600, to £51,800, and expenditure decreased by £7,300, to £63,300. As a result the cash held by the charity decreased by £11,600, to £66,700, of which £65,800 is unrestricted and can be used for any charitable purpose.

Reserves policy

The trustees have determined that the charity should aim to hold unrestricted cash sufficient to cover 9-12 months of operating costs so that the charity could continue to operate should income and / or expenditure vary adversely. At the year end, the charity held unrestricted cash of £65,800.

The charity faces a Ministerial interregnum from mid-2023 onwards. This decreases operating costs by a substantial amount and improves the net income figure accordingly. Reflecting this, the 2023-24 budget anticipates that operating costs for the financial year will be about £43,000. This would imply a reserves target range of £32,000 -£43,000 (equivalent to 9-12 months of operating costs). However, as Trustees do not intend for the Ministerial vacancy to be long-term, they propose "looking through" these temporary distortions and instead setting a target range as if a full-time Minister continues to be in post. The trustees have settled on a reserves target range of £47,000 - £62,000 .

Whilst the charity is currently holding free reserves in excess of this policy and the budget indicates that this may increase further over the short-term, the charity is facing material costs associated with refurbishment of the manse or its sale/replacement. These costs have not been budgeted for but have the potential to materially deplete the free reserves held by the charity and/or result in a loan facility being sought.

Given such uncertainties, the Trustees do not propose any short-term actions to return free reserves towards the target range of £47,000 - £62,000. Trustees will monitor the charity's reserves position closely. They will update the reserves policy when decisions have been made and costed with respect to the manse and/or when it is known that a new Minister is to be appointed. The reserves policy will also be reviewed and as necessary updated if there are other material changes in circumstances and at least on an annual basis.

Governance

The policy and operating decisions of the charity rest with the Trustees who meet regularly to monitor the activities of the charity. The constitution governs the appointment of new Trustees who are elected from the Church membership and stand for a period of three years. They are subject to re-election for a further term of three years and then have a year where they stand down.

Responsibilities of trustees

Charity law requires us as Trustees to prepare financial statements for each accounting year which record the receipts and payments of the charity for the year.

We are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable us to ensure that the financial statements comply with the Charities Act 2011.

We also have a responsibility to safeguard the assets of the charity and to take reasonable steps to prevent fraud or any other irregularities.

Approval

This report was approved by the trustees and signed on their behalf by:

Howard Thomas

Date: 22 November 2023

INDEPENDENT EXAMINER'S REPORT
TO THE TRUSTEES OF
HORNCHURCH BAPTIST CHURCH

I report to the trustees on my examination of the accounts of Hornchurch Baptist Church ('the charity') for the year ended 31 March 2023 on pages 6 to 9 following.

Responsibilities and basis of report

As the trustees of the charity you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the 2011 Act').

I report in respect of my examination of the charity's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in accordance with section 130 of the 2011 Act; or
2. the accounts do not accord with the accounting records.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Jaimée Young

Stewardship
1 Lamb's Passage
LONDON
EC1Y 8AB

Date: 08 December 2023

HORNCHURCH BAPTIST CHURCH
RECEIPTS AND PAYMENTS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2023

	Notes	<u>Unrestricted Funds</u>		Restricted Funds	Total 2023	Total 2022
		General Funds	Designated Funds			
		£	£	£	£	£
Income receipts						
Donations		29,155	120	498	29,773	29,507
Gift aid receipts		5,136	-	-	5,136	7,541
Income from charitable activities		-	-	-	-	49
Rental income		15,667	-	-	15,667	11,925
Interest		1,181	-	-	1,181	120
Total receipts		<u>51,139</u>	<u>120</u>	<u>498</u>	<u>51,757</u>	<u>49,140</u>
Payments						
Payments in relation to charitable activities undertaken directly	2	57,483	-	-	57,483	65,152
Grants paid in relation to charitable activities undertaken by others	3	5,343	-	498	5,841	5,427
Total payments		<u>62,826</u>	<u>-</u>	<u>498</u>	<u>63,324</u>	<u>70,579</u>
Net of receipts / (payments) before transfers		(11,688)	120	-	(11,568)	(21,438)
Transfers between funds	5	-	-	-	-	-
Net movement in funds		<u>(11,688)</u>	<u>120</u>	<u>-</u>	<u>(11,568)</u>	<u>(21,438)</u>
Cash funds as at last year end		71,689	5,667	953	78,310	99,748
Cash funds at this year end	A	<u>60,002</u>	<u>5,787</u>	<u>953</u>	<u>66,742</u>	<u>78,310</u>

The notes on pages 8 - 9 form part of these accounts.

HORNCHURCH BAPTIST CHURCH
STATEMENT OF ASSETS AND LIABILITIES
FOR THE YEAR ENDED 31 MARCH 2023

	<u>Unrestricted Funds</u>		Restricted funds	Total 2023	Total 2022
	General funds	Designated funds			
	£	£	£	£	£
A Cash funds					
Cash at bank with immediate access	16,158	5,787	953	22,898	20,547
Notice deposits	43,726	-	-	43,726	57,580
PayPal balance	22	-	-	22	-
Petty cash	96	-	-	96	183
	<u>60,002</u>	<u>5,787</u>	<u>953</u>	<u>66,742</u>	<u>78,310</u>
B Other monetary assets					
Gift aid due to charity	3,755	-	-	3,755	2,124
	<u>3,755</u>	<u>-</u>	<u>-</u>	<u>3,755</u>	<u>2,124</u>
C Liabilities					
Falling due within one year:					
Independent Examination	876	-	-	876	1,080
BU pension deficit	-	-	-	-	1,364
BU loan	7,457	-	-	7,457	7,657
Creditors and accruals	-	-	-	-	554
	<u>8,333</u>	<u>-</u>	<u>-</u>	<u>8,333</u>	<u>10,654</u>
Falling due after one year:					
BU loan	-	-	-	-	6,887
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,887</u>
Total	<u>8,333</u>	<u>-</u>	<u>-</u>	<u>8,333</u>	<u>17,542</u>

The above loan is repayable in monthly instalments over 25 years and is expecting to be repaid in full by the 2024/5 financial year.

D Assets retained for charity's own use	Value 2023	Value 2022
	£	£
<i>Freehold buildings [church building and two residential properties]</i>	-	-
Contents and equipment	111,150	100,405
	<u>111,150</u>	<u>100,405</u>

The trustees have used insurance values as the trustees are unable to reliably estimate current values; insurance values may differ materially from current values.

Current values have not been quoted for freehold buildings because reliable valuations are not available (and disclosure is not mandatory).

The accounts were approved by the trustees and signed on their behalf

by _____ date _____
Howard Thomas 22 November 2023

The notes on pages 8 - 9 form part of these accounts.

HORNCHURCH BAPTIST CHURCH
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

The accounts have been prepared on a receipts and payments basis and comprise a statement that shows the charity's receipts and payments, a statement that summarises the charity's assets and liabilities and related notes. The accountancy profession have determined that only accounts prepared in accordance with applicable accounting standards present a 'true and fair' view and, as these receipts and payments accounts have not (and cannot) be prepared in accordance with accounting standards, these accounts do not present (and are not intended to present) a 'true and fair' view of the charity's financial activities and state of affairs.

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity. Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. Restricted funds are donations which are to be used in accordance with specific restrictions imposed by donors; they include donations received from appeals for specific activities or projects.

		<u>Unrestricted Funds</u>		Restricted Funds £	Total 2023 £	Total 2022 £
		General funds £	Designated funds £			
		£	£			
2 Payments in relation to charitable activities undertaken directly						
Employment costs and expenses	Note 4	34,527	-	-	34,527	37,869
Church Centre costs		5,745	-	-	5,745	5,950
Manse and other property costs	Note 4	8,095	-	-	8,095	11,633
Mortgage repayments		7,657	-	-	7,657	7,657
Administration and office costs		620	-	-	620	752
Governance costs		840	-	-	840	1,080
Youth		-	-	-	-	211
		<u>57,483</u>	<u>-</u>	<u>-</u>	<u>57,483</u>	<u>65,152</u>

3 Grants and gifts paid to others

Organisations:						
Baptist Missionary Society		1,472	-	-	1,472	1,471
Baptist Union EBA		1,472	-	-	1,472	1,286
Organisations < £1,000		900	-	298	1,198	900
Individuals		1,500	-	200	1,700	1,770
		<u>5,343</u>	<u>-</u>	<u>498</u>	<u>5,841</u>	<u>5,427</u>

4 Transactions with related parties

Vivienne Alexander served as church leader and was paid £28,198 [2022: £27,306] for serving in that capacity, not for serving as a trustee; these payments are permitted by the charity's governing document.

In addition the charity incurred expenditure totalling £4,727 [2022: £3,462] in respect of the provision of accommodation (which is customary for ministers) to Vivienne Alexander, who is a trustee so that they could better perform their duties.

No payments were made to any other trustees or persons related to them, except for reimbursement of expenses paid out on behalf of the charity.

HORNCHURCH BAPTIST CHURCH
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2023

5 Movement of funds

	Opening balance £	Receipts £	Payments £	Transfers £	Closing balance £
General funds	71,689	51,139	(62,826)	-	60,002
Designated funds					
Buildings fund	5,117	-	-	-	5,117
Communion (hardship fund)	180	120	-	-	300
Seniors	370	-	-	-	370
	<u>77,357</u>	<u>51,259</u>	<u>(62,826)</u>	<u>-</u>	<u>65,789</u>
Restricted funds					
Missionary	-	200	(200)	-	-
Stand by Me	-	158	(158)	-	-
Harvest Appeal	-	140	(140)	-	-
Youth Fund	953	-	-	-	953
	<u>953</u>	<u>498</u>	<u>(498)</u>	<u>-</u>	<u>953</u>
Total funds	<u>78,310</u>	<u>51,757</u>	<u>(63,324)</u>	<u>-</u>	<u>66,742</u>

The Mission Fund relates to funds donated for the purpose of supported missionaries.

6 The Baptist Pension Scheme

Previously the Baptist Pension Scheme's now closed defined benefit scheme had been reporting a funding deficit and the charity had been making contributions to help make good the shortfall. The Baptist Pension Scheme provided estimates for the charity's share of the funding deficit and the estimate at the year end was included as a monetary liability in the Statement of Assets and Liabilities.

In July 2022 the Baptist Pension Scheme reached an agreement with an insurance company, called Just, to secure the benefits payable under the now closed defined benefit pension scheme ('DB Scheme'). The premium payable to Just was favourable and, after the transaction with Just, the DB Scheme no longer has a funding deficit. It will take some time to complete the process and, until it is complete, some risks remain. Based on current values the Baptist Pension Scheme believes it has sufficient assets to complete the process without requiring additional contributions from participating employers but, because some risks do remain, the charity has been asked to make a nominal monthly contribution of £1 to the DB Scheme from August 2022.