

BETHEL EVANGELICAL FREE CHURCH
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2020

REGISTERED CHARITY NUMBER: 1135831

Cound & Co LLP
Chartered Accountants
1 Princes Court
Royal Way
Loughborough
Leics LE11 5XR

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**BETHEL EVANGELICAL FREE CHURCH
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

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BETHEL EVANGELICAL FREE CHURCH

REPORT OF THE OFFICERS FOR THE YEAR ENDED 31 DECEMBER 2020

The officers present their report along with the financial statements of the charity for the year ended 31 December 2020. The financial statements have been prepared in accordance with the accounting policies set out on page 8 and comply with the Church's trust deed and applicable law.

REFERENCE AND ADMINISTRATIVE DETAILS:

Inland Revenue Charity Ref: XN 26557

Charity Number: 1135831

Holding Trustees:

A Davis
D Eagles
W Easton
P Harrison

Church Elders:

Rev D Eagles (Pastor)
A Davis
W Easton
P Harrison

Church Deacons:

(No Deacons serving during the year ended 31 December 2020)

Church Premises:

Burleigh Avenue, Wigston, Leicester, LE18 1FH

Independent Examiners:

Cound & Co LLP
Chartered Accountants
1 Princes Court
Royal Way
Loughborough
Leics, LE11 5XR

Bankers:

NatWest plc

BETHEL EVANGELICAL FREE CHURCH

REPORT OF THE OFFICERS FOR THE YEAR ENDED 31 DECEMBER 2020

STRUCTURE GOVERNANCE AND MANAGEMENT

Until 2010, the Church was constituted under a trust deed dated 9 December 1981, and was an “excepted” charity by virtue of its affiliation to the Fellowship of Independent Evangelical Churches. However, in order to comply with the Charities Act 2006, a new Constitution dated 9 March 2011 using an approved governing document issued by the Fellowship of Independent Evangelical Churches has been adopted and the Church has become a “Registered Charity”.

Appointment of Trustees

In accordance with the constitution, the Managing Trustees comprise those persons appointed as Pastors, Elders and Deacons. There is provision for a minimum of three trustees at any one time. A number of Holding Trustees are appointed from amongst the Managing Trustees to take responsibility for the Church buildings and property.

Trustee Induction and Training

As trustees are drawn solely from the ranks of Church Elders and Deacons, they are already very familiar with the workings of the Church. As such, no specific formal training is given to new trustees, although they are briefed to ensure that they are aware of their responsibilities and duties as trustees.

Organisation

The Holding Trustees and officers who have served during the year and since the year-end are set out on page 1. Pastors, Elders and Deacons are Managing Trustees and must all be in full agreement with the Church's doctrinal basis and “Church Matters” policy document:

Pastor: The appointment of a Pastor shall be by the unanimous recommendation of the Elders and Deacons and by the wholehearted spiritual witness of the Church Members’ Meeting, evidenced by the wholehearted approval of at least three quarters of those present at the Church Members’ Meeting.

Elders: Recognising the biblical pattern, the existing Elders are to be the ones who normally identify new Elders, with the membership being invited to give their wholehearted agreement (Titus 1:5) at the Church Members’ Meeting, evidenced by the approval of at least three quarters of those present at the Church Members’ Meeting.

Deacons: Following the biblical pattern, Deacons shall be adult members who conform to the scriptural qualifications (1Tim 3:8-10, 12 and 13 Acts 6:3). Church members will give recommendations to the Elders and Deacons for their consideration. The Elders and Deacons will bring persons with their consent to the membership for their wholehearted agreement at a Church Members’ Meeting, evidenced by the approval of at least three quarters of those present at the Church Members’ Meeting.

The Pastors, Elders and Deacons shall normally serve without time limit up to the age of seventy, unless removed from office. However, Church Officers may be requested to continue in their office past this age, by the agreement of the other Church Officers and with an annual review. The following considerations should be taken into account when agreeing to continuation in office: health, gifts, mental capacity and the individual’s personal circumstances. A Pastor, Elder or Deacon may voluntarily resign by submitting in writing a letter to that effect to the remaining Church Officers. The Pastor will normally retire from office at the statutory retirement age.

Missionary Support Policy

The Church has continued to support several missionaries, both in the UK and Overseas, through discretionary support and designated gifts. Often, those supported have been sent out from Bethel to their new work and/or previously worked or served at Bethel Church.

BETHEL EVANGELICAL FREE CHURCH

REPORT OF THE OFFICERS FOR THE YEAR ENDED 31 DECEMBER 2020

OBJECTIVES AND ACTIVITIES

The purposes of the Church shall be:

- The advancement of the Christian faith in accordance with the Basis of Faith primarily but not exclusively within Wigston and the surrounding neighbourhood;
- And such other charitable purposes as shall, in the opinion of the members of the Church in general meeting and the Managing Trustees, further the work of the Church.

The trustees confirm that they have referred to the Charity Commissions guidance on public benefit when reviewing the Charity's aims and objectives in planning future activities and policies.

ACHIEVEMENTS AND PERFORMANCE

Following the UK Covid outbreak (March 2020), the Church moved all of its Sunday and midweek meetings on line and suspended the other groups. Regular meeting of members and friends was enabled on-line through Zoom. At the time of writing (June 2021) The Sunday morning service has just reverted to being held in person at the Church premises, but it is also still available online or via DVD, for those who still cannot attend in person.

The Church normally holds one service on a Sunday, as well as mid-week and ad-hoc meetings to teach the Christian faith and to provide opportunities for worship. In addition, the Church hosts activities for all ages, from tots and parents, through children, boys, girls, teenagers, young adults, ladies, men and senior citizens, which combine social activities with opportunities for teaching. The Church also arranges outreach events to raise awareness of the local Church in particular and the Christian faith in general. All the above activities and meetings are open to society in general and are not restricted to members of the Church.

The regular meetings were disrupted (by Covid) throughout the year, including the special opportunities such as the Christmas family services, Carols by Candlelight, Easter Children's Holiday Club, Youth Mix and the Summer Sizzler outreach event, which would normally be attended by people of all ages, and also the Bible Exhibition hosted for local schools. Some of the other activities have been held on-line including weekly Kids at the Corner and Youth Meetings. Most groups are now starting to plan for a re-start, subject to Government Covid restrictions being lifted.

The refurbishment of the former youth hall has been completed during 2020 (and early 2021) so it is ready for the re-opening of Bethel's on-site outreach activities. All of the funds needed for this refurbishment, and the creation of 'The Corner' coffee area, were raised through special designated giving.

FINANCIAL REVIEW

Income received during the year totalled £110,929, principally from donations to the Church, and was higher than the corresponding amount received in 2019 (£84,824). The 2020 giving included £25,936 designated for the Building Fund (2019: £27,981). The higher level of "normal" income in the year 2020 reflected a higher level of regular giving towards the general funds.

Total payments during the year were £78,994, which was lower than the expenditure in 2019 (£94,168). the 2020 expenditure included a church building and refurbishment cost of £31,028 (2019: £25,494). The "normal" 2020 expenditure of £47,966 is lower than the equivalent 2019 figure of £68,674 as the Trustees and Members brought expenditure more into line with projected income. Overall, this meant that the Church reported a surplus for the year of £31,935 (2019: £9,344 deficit)

BETHEL EVANGELICAL FREE CHURCH

REPORT OF THE OFFICERS FOR THE YEAR ENDED 31 DECEMBER 2020

RESERVES POLICY

Reserves are set aside to respond to any unforeseen funding difficulties. The Church officers produce a budget each year to forecast the amount of income that the Church expects to receive. Based on this, the Church will plan its expenditure for the future year, so that it keeps normal expenditure pegged to slightly below the level of income.

The overall budget is reviewed during the year at Church officer meetings to ensure that the Church can achieve its targets regarding planned expenditure and make any adjustments as necessary to keep within it.

RISK MANAGEMENT

The officers have examined the major strategic, business and operational risks which the charity faces and confirm that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to lessen these risks.

Trustees' responsibilities in relation to the financial statements

The laws applicable to charities in England and Wales require the officers to prepare financial statements for each financial year which give a true and fair view of the Church's financial activities during the year and of its financial position at the end of the year. In preparing those financial statements, the officers are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed
- subject to any departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Church will continue to function.

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

Approved by the trustees and church officers on 14 June 2021 and signed on their behalf by:

.....
A Davis
Treasurer

**INDEPENDENT EXAMINERS' REPORT TO THE OFFICERS OF
BETHEL EVANGELICAL FREE CHURCH**

I report on the accounts of the Church for the year ended 31 December 2020, which are set out on pages 6 to 10

Respective responsibilities of the Church officers and examiners

The Church officers are responsible for the preparation of the accounts. The Church officers consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the Charities Act) and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under section 145 of the Charities Act;
- to follow the procedures laid down in the General Directions given by the Charity Commissioners under section 145(5)(b) of the Charities Act; and
- to state whether particular matters have come to our attention.

Basis of independent examiners' report

My examination was carried out in accordance with the General Directions given by the Charity Commissioners. An examination includes a review of the accounting records kept by the Church and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as officers concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a "true and fair view" and the report is limited to those matters set out in the statement below.

Independent examiners' statement

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

- 1) which gives me reasonable cause to believe that, in any material respect the requirements:
 - to keep accounting records in accordance with section 130 of the Charities Act; and
 - to prepare accounts which accord with the accounting records and comply with the accounting requirements of the Charities Acthave not been met; or
- 2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

D R Gradon
Cound & Co LLP
Chartered Accountants
1 Princes Court
Royal Way
Loughborough
Leics, LE11 5XR

15 June 2021

BETHEL EVANGELICAL FREE CHURCH
STATEMENT OF RECEIPTS AND PAYMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

| | <u>Notes</u> | 2020 Other Designated <u>Funds</u> | 2020 General <u>Funds</u> | 2020 Designated Building <u>Funds</u> | 2020 <u>Total</u> | 2019 <u>Total</u> |
|-----------------------------------|--------------|---|---------------------------------|--|----------------------|----------------------|
| Receipts: | | | | | | |
| Donations and legacies | | 748 | 84129 | 25936 | 110813 | 84595 |
| Charitable activities: | | | | | | |
| Use of Church facilities | | - | 50 | - | 50 | 213 |
| Other income | | - | - | - | - | - |
| Investment income | | - | 66 | - | 66 | 16 |
| | | <u>748</u> | <u>84245</u> | <u>25936</u> | <u>110929</u> | <u>84824</u> |
| Payments: | | | | | | |
| Charitable activities: | | | | | | |
| Pastoral ministry | 2 | 300 | 37670 | - | 37970 | 51636 |
| Evangelism and outreach | 3 | - | 937 | - | 937 | 2729 |
| Establishment costs | 4 | - | 9059 | 31028 | 40087 | 39803 |
| | | <u>300</u> | <u>47666</u> | <u>31028</u> | <u>78994</u> | <u>94168</u> |
| Net receipts/(payments) | | 448 | 36579 | (5092) | 31935 | (9344) |
| Transfers | | (448) | 448 | - | - | - |
| | | <u>-</u> | <u>37027</u> | <u>(5092)</u> | <u>31935</u> | <u>(9344)</u> |
| Surplus/(deficit) for the year | | - | 37027 | (5092) | 31935 | (9344) |
| Bank balances at 1 January 2020 | | - | 5026 | 8946 | 13972 | 23316 |
| Surplus/(deficit) for the year | | - | 37027 | (5092) | 31935 | (9344) |
| | | <u>-</u> | <u>42053</u> | <u>3854</u> | <u>45907</u> | <u>13972</u> |
| Bank balances at 31 December 2020 | | - | 42053 | 3854 | 45907 | 13972 |

BETHEL EVANGELICAL FREE CHURCH

STATEMENT OF ASSETS AND LIABILITIES AS AT 31 DECEMBER 2020

| | Note | 2020 Other Designated Funds | 2020 General Funds | 2020 Designated Building Funds | 2020 Total Funds | 2019 Total Funds |
|-----------------------------|------|--------------------------------------|--------------------------|---|------------------------|------------------------|
| <u>FIXED ASSETS</u> | | | | | | |
| Freehold land and buildings | 5 | - | 271882 | - | 271882 | 240854 |
| Fixtures and fittings | 5 | - | 4989 | - | 4989 | 5702 |
| | | ===== | ===== | ===== | ===== | ===== |
| | | - | 276871 | - | 276871 | 246556 |
| <u>CURRENT ASSETS</u> | | | | | | |
| Gift Aid tax recoverable | | - | - | - | - | 16872 |
| Prepayments | | - | - | - | - | - |
| Bank balances | | - | 42053 | 3854 | 45907 | 13972 |
| | | ===== | ===== | ===== | ===== | ===== |
| | | - | 42053 | 3854 | 45907 | 30844 |
| <u>CURRENT LIABILITIES</u> | | | | | | |
| Creditors and Accruals | | - | 2820 | - | 2820 | 1620 |
| | | ===== | ===== | ===== | ===== | ===== |
| <u>NET CURRENT ASSETS</u> | | - | 39233 | 3854 | 43087 | 29224 |
| | | ===== | ===== | ===== | ===== | ===== |
| <u>TOTAL NET ASSETS</u> | | - | 316104 | 3854 | 319958 | 275780 |
| | | ===== | ===== | ===== | ===== | ===== |
| <u>FUND BALANCES</u> | | | | | | |
| General Fund | 6 | - | 316104 | - | 316104 | 264384 |
| Restricted Fund | 6 | - | - | - | - | - |
| Designated Funds: | | | | | | |
| Building Fund | 6 | - | - | 3854 | 3854 | 11396 |
| Other Funds | | - | - | - | - | - |
| | | ===== | ===== | ===== | ===== | ===== |
| | | - | 316104 | 3854 | 319958 | 275780 |
| | | ===== | ===== | ===== | ===== | ===== |

The Financial Statements on pages 6 to 10 were approved by the trustees on 14 June 2021 and signed on their behalf by:

.....

A Davis

BETHEL EVANGELICAL FREE CHURCH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1 ACCOUNTING POLICIES

a) Funds

General funds represent the funds of the Church that are not subject to any restrictions regarding their use and are available for application on the general purposes of the Church.

Designated funds are unrestricted funds that have been designated for a particular use, in this case representing the Church's Buildings fund.

Restricted funds are those funds that must be spent on the restricted purposes as specified by the donor.

2 PASTORAL MINISTRY AND MISSIONARY SUPPORT

| | 2020 Other Designated Funds | 2020 General Funds | 2020 Designated Building Funds | 2020 Total Funds | 2019 Total Funds |
|------------------------------------|--------------------------------------|--------------------------|---|------------------------|------------------------|
| Pastoral remuneration and expenses | - | 35927 | - | 35927 | 36485 |
| Assistant Pastor Salary | - | - | - | - | 6364 |
| Employer's Pension Contributions | - | 891 | - | 891 | 820 |
| Employer's NIC | - | 817 | - | 817 | 1030 |
| Visiting preachers | - | 35 | - | 35 | 482 |
| Missionary support | 300 | - | - | 300 | 5975 |
| Training Costs | - | - | - | - | 480 |
| | <u>300</u> | <u>37670</u> | <u>-</u> | <u>37970</u> | <u>51636</u> |

The Church employs a Pastor. All of the Elders (including the Pastor) and Deacons are Managing Trustees, as they are all included in making decisions on how the charity's funds are expended. To avoid a conflict of interest, the Pastor continues to be excluded from all discussions relating to him and his remuneration. The Pastor is the only trustee to receive any remuneration or expenses; however other trustees have been reimbursed during the year for expenditure they have incurred on behalf of the Church.

3 EVANGELISM AND OUTREACH

| | 2020 Other Designated Funds | 2020 General Funds | 2020 Designated Building Funds | 2020 Total Funds | 2019 Total Funds |
|-------------------|--------------------------------------|--------------------------|---|------------------------|------------------------|
| Bible exhibitions | - | 426 | - | 426 | 1806 |
| Outreach expenses | - | 511 | - | 511 | 803 |
| Bible clubs | - | - | - | - | 120 |
| | <u>-</u> | <u>937</u> | <u>-</u> | <u>937</u> | <u>2729</u> |

BETHEL EVANGELICAL FREE CHURCH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

4 ESTABLISHMENT COSTS

| | 2020 Other Designated <u>Funds</u> | 2020 General <u>Funds</u> | 2020 Designated Building <u>Funds</u> | 2020 Total <u>Funds</u> | 2019 Total <u>Funds</u> |
|---|---|---------------------------------|--|-------------------------------|-------------------------------|
| Rates and water | - | 1307 | - | 1307 | 1015 |
| Insurance | - | 1279 | - | 1279 | 1482 |
| Light and heat | - | 2763 | - | 2763 | 3643 |
| Repairs and maintenance | - | 2229 | - | 2229 | 3367 |
| Advertising | - | - | - | - | 104 |
| Telephone | - | 438 | - | 438 | 576 |
| Postage, stationery and photocopying | - | 40 | - | 40 | 1187 |
| FIEC affiliation fees | - | 750 | - | 750 | 500 |
| Catering | - | 107 | - | 107 | 134 |
| CCLI licence fee | - | - | - | - | 498 |
| Other miscellaneous costs | - | 146 | - | 146 | 303 |
| Independent examination and payroll fee | - | - | - | - | 1500 |
| Fixed Asset Purchases | - | - | 31028 | 31028 | 25494 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| | - | 9059 | 31028 | 40087 | 39803 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |

5 FIXED ASSETS

| <u>Cost</u> | Freehold Land and <u>Buildings</u> | Fixtures and <u>Fittings</u> | <u>Total</u> |
|------------------------------------|--|------------------------------------|--------------|
| At 1 January 2020 | 240854 | 22654 | 263508 |
| Additions | 31028 | - | 31028 |
| | <hr/> | <hr/> | <hr/> |
| At 31 December 2020 | 271882 | 22654 | 294536 |
| <u>Depreciation</u> | | | |
| At 1 January 2020 | - | 16952 | 16952 |
| Charge for the year | - | 713 | 713 |
| | <hr/> | <hr/> | <hr/> |
| At 31 December 2020 | - | 17665 | 17665 |
| | <hr/> | <hr/> | <hr/> |
| Net Book Value at 31 December 2020 | 271882 | 4989 | 276871 |
| | <hr/> | <hr/> | <hr/> |
| Net Book Value at 31 December 2019 | 240854 | 5702 | 246556 |
| | <hr/> | <hr/> | <hr/> |

BETHEL EVANGELICAL FREE CHURCH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

The Church's freehold properties comprise:

- a) The Church buildings situated in Burleigh Avenue, Wigston (acquired 14 October 1950).
- b) The Church hall, bookshop and flat situated at the corner of Burleigh Avenue and The Crescent, Wigston (acquired 24 November 1955).

The Church officers estimate that the market value of the Church's properties following the refurbishment project is about £750,000.

6 ANALYSIS OF NET ASSETS BY FUND

| | 2020 Other Designated <u>Funds</u> | 2020 General <u>Funds</u> | 2020 Designated Building <u>Funds</u> | 2020 Total <u>Funds</u> | 2019 Total <u>Funds</u> |
|--------------------------------------|---|---------------------------------|--|-------------------------------|-------------------------------|
| Fixed Assets | - | 276871 | - | 276871 | 246556 |
| Current Assets | - | 42053 | 3854 | 45907 | 30844 |
| Current Liabilities | - | (2820) | - | (2820) | (1620) |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| | - | 316104 | 3854 | 319958 | 275780 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| Designated Funds are represented by: | B/Fwd <u>2019</u> | <u>Income</u> | <u>Expenditure</u> | <u>Transfers</u> | C/Fwd <u>2020</u> |
| Building Fund | 11396 | 23486 | (31028) | - | 3854 |
| Other Funds | - | 748 | (300) | (448) | - |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| | 11396 | 24234 | (31328) | (448) | 3854 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |

The Building Fund represents money received from a legacy in 2014 together with donations, which have been set aside for a project to redevelop the Church's buildings. Work on the buildings commenced in 2018 and was completed in 2021.