

# **HERNE HILL BAPTIST CHURCH**

Charity Registration No: 1153419

**Half Moon Lane (corner of Winterbrook Road)  
Herne Hill, London, SE24 9HU**

## **Report and Financial Statements for the year ended 30 September 2023**

**HERNE HILL BAPTIST CHURCH**  
**LEGAL & ADMINISTRATIVE DETAILS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2023**

ADDRESS FOR CORRESPONDENCE	Half Moon Lane (corner of Winterbrook Road) Herne Hill London SE24 9HU
GOVERNING DOCUMENT	Trust Deed dated 12 March 1907 (revised 3 July 1994) that governs the use of a Church building. Constitution for a Trust dated 30 January 2013, which governs the charity's other activities.
CHARITY REGISTRATION NUMBER	1153419
TRUSTEES RESPONSIBLE FOR MANAGING THE CHARITY	Monica Barnes (Deacon) (appointed March 2024) Elizabeth Brown (Treasurer) Matthew Gale (Deacon) (appointed March 2024) Samantha Joseph (Deacon) Anne Kemp (Elder) Revd Rob May (Pastor) (resigned January 2023) Lesley Morrison (Chair of Trustees) Beatrice Stevens (Elder) Timothy Tree (Elder)
CUSTODIAN TRUSTEES	The London Baptist Property Board Limited 235 Shaftsbury Avenue London WC2H 8EP
INDEPENDENT EXAMINER	Ajay Rajani FCIE Stewardship 1 Lamb's Passage LONDON EC1Y 8AB

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# **HERNE HILL BAPTIST CHURCH**

Charity Registration No: 1153419

## **Report of the Trustees for the year ended 30 September 2023**

The Trustees present their Report and the Financial Statements for the year ended 30 September 2023.

### **Purpose**

The principal purpose of Herne Hill Baptist Church 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.

Herne Hill Baptist Church is a member of The Baptist Union of Great Britain and the London Baptist Association.

As a member of The Baptist Union of Great Britain the Church subscribes to the Union's Declaration of Principle:

That our Lord and Saviour, Jesus Christ, God manifest in the flesh, is the sole and absolute authority in all matters pertaining to faith and practice, as revealed in the Holy Scriptures, and that each Church has liberty, under the guidance of the Holy Spirit, to interpret and administer His laws.

That Christian Baptism is the immersion in water into the name of the Father, the Son and Holy Ghost, of those who have professed repentance towards God and faith in our Lord Jesus Christ who died for our sins according to the Scriptures, was buried and rose again on the third day.

That it is the duty of every disciple to bear personal witness to the gospel of Jesus Christ, and to take part in the evangelisation of the world.

Herne Hill Baptist Church is an 'open membership' Church. Baptism by immersion upon personal profession of faith is the normal mode of entry into membership of the Church. Persons seeking membership who have not been baptised in the manner described in the Union's Declaration of Principle may, at the discretion of the Church Members' Meeting, be accepted for full membership based on their own public profession of faith.

### **Governance and Management**

The activities of the charity are governed by:

- A Trust Deed dated 12 March 1907 (revised 3 July 1994), which governs the use of the Church building.
- A Constitution adopted by the Church Members on 30 January 2013, which governs the rest of the charity's activities.

The charity registered as a charity with the Charity Commission on 15 August 2013. Prior to this date the charity was an excepted from the obligation to register because the charity is a member of the Baptist Union and its income was less than £100,000.

Meetings of Church members take place from time to time. Such meetings have responsibility for the overall governance of the Church. The Managing Trustees are responsible for the day to day running of the Church's work and witness, and the financial and legal aspects of the charity. All members are encouraged to take an appropriate part in the spiritual and practical tasks in the furtherance of the charitable objective.

Relevant matters may be submitted to the Church Meeting by the Managing Trustees for guidance, or may be raised by members in Church Meeting for further consideration by the Managing Trustees.

# **HERNE HILL BAPTIST CHURCH**

Charity Registration No: 1153419

## **Report of the Trustees for the year ended 30 September 2023 (continued)**

Though the Constitution permits decisions to be made at Church Meetings by appropriate majorities, the Church seeks to work by consensus wherever possible.

During the year the Finance Team comprised Rev Rob May, Anne Kemp, Elizabeth Brown, Lyn Ransom and Fiona Reid.

The Church operates systems to ensure that all people working with children and vulnerable adults are appropriately vetted with regard to the Disclosure and Barring Service.

The Church has considered the Charity Commission guidance on public benefit and is satisfied that the activities outlined in this report demonstrate that the charity is providing a benefit to the public.

### **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.

### **Review of the year**

Although we are the legal Trustees of the Church and therefore have specific roles and responsibilities we have decided that it is much clearer for day-to-day communications to define ourselves as leaders.

During the past year our Church has been through a time of uncertainty and turbulence as many were saddened by our Pastor Rob's departure.

As leaders we are determined to work with the fellowship to cement relationships and move forward in the spirit of optimism. We are a small team but bring a wide range of experience and skills both in Church life and professionally. There is not a ridged distinction between Elders and Deacons, but as leaders we accept that the two roles are not mutually exclusive and therefore we consider any issue prayerfully as a group. For example, the teaching programme is designed by the Elders but brought to the team for approval. We were all involved in the decisions around recent building repairs and the manse letting.

In our opinion the most important task as we moved into a pastoral vacancy was to identify the needs of our fellowship. To this end we arranged a very successful Church Weekend on 25th and 26th March. The Saturday finished with a fish and chip supper with live music from Matt Gale and his band. A good time was had by all.

We were very encouraged by the positive and constructive feedback received from attendees and from the discussion groups that were part of the day. After analysing the feedback from the discussion groups and the survey sent out we summarised various points. In response to these points we have:

# **HERNE HILL BAPTIST CHURCH**

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## **Report of the Trustees for the year ended 30 September 2023 (continued)**

### **Review of the year continued.....**

- Organised a Call to Prayer.
- Designed preaching series that are rooted in the Bible both Old and New Testament.
- Invited a wide range of preachers to bring God's word in different styles.
- Adapted our family services to incorporate a breakfast service on a regular basis.
- Moved the Monday Prayer meeting from zoom back into Church
- Introduced a monthly prayer meeting on Friday evenings.
- We have also solidly got alongside the community activities and the introduction of new youth activities.

In addition to attempting to be innovative and creative, a central part of our service is to ensure that the Church building is kept in good repair and fit for purpose. Our challenge is always ensuring value for money and high-quality delivery. Since our last meeting we have:

- had the central heating refurbished, including new boilers. After a difficult winter we are trusting for warmth and comfort in every part of the Church.
- conducted vital repairs to roofs and electrics to avoid longer-term damage, which were required for the safe operation of the premises.

In addition to this we have had the responsibility of letting the manse, which will become a good source of income during the pastoral vacancy. The number of organisations and individuals wanting to hire our premises mid-week and during school holidays encourages us.

Although our congregation is smaller than pre COVID we have a regular and constant attendance. Our youth attendance, although small on Sundays, is flourishing in the week.

We are more financially viable in the short term but we are not complacent. Our building is old and as such will always need regular maintenance and repair. In addition, our membership has reduced hence the weekly offering is smaller.

We continue to hold several midweek activities. In response to the energy cost crisis we hold Warm Space every Monday afternoon. This has a small but regular group of attendees and provides a meal and companionship throughout the year. Our Prayer Meeting continues each Monday Evening with a small but regular group who now again meet in Church. Knit and Natter continues to grow and is very popular. Our monthly mid-week communion continues to be a blessing to those who are able to attend. Our Youth and Family Worker continues to work hard at developing and building up the Church's programme amongst school aged young people and has a working relationship with St Jude's Primary School.

We have given financial support to The Baptist Home Mission, Spurgeon's College, Beacon CAP Partnership and L'Arche.

We give thanks for all our members who have stepped up to help us during this season; particularly those who have been prepared to bring God's word sometimes at short notice.

# **HERNE HILL BAPTIST CHURCH**

Charity Registration No: 1153419

## **Report of the Trustees for the year ended 30 September 2023 (continued)**

### **Review of the year continued**

The worship leaders, singers and musicians who are now a small group, have week in week out provided us with high quality spirit filled worship and we pray that God will raise up more musicians and singers in our fellowship.

We give thanks for the members who took over responsibility for preparing the manse for letting and general oversight. We must also give thanks for those who have given us so much practical help with the roof repairs and on-going upkeep of the building by changing light bulbs, keeping the garden tidy and other bits of necessary housekeeping.

Finally, we are very grateful to our Administrator and finance team for their hard work and dedication.

### **Reserves policy**

The trustees consider that the charity should aim to hold a reserve of unrestricted cash of no less than three months' normal operating costs after taking account of the charity's monetary assets and liabilities at the year end. This would equate to a reserve of no less than £50,000, which the trustees believe would be sufficient to allow the charity to continue to operate smoothly should income and / or expenditure vary unexpectedly. At the year end the charity held unrestricted cash of £88,696 and the charity is complying with its reserves policy.

The liquid funds of the Church are all held on accounts with the bank, with as much as is practical held in deposit accounts earning interest at a currently available commercial rate. The Church does not invest in securities.

### **Risk policy**

The trustees are aware that they need to regularly update a risk management strategy comprising

- An annual review of risks;
- Establishment and review of systems and procedures to mitigate those risks;
- Establishment and review of procedures to minimize the potential impact should any of those risks materialize.

### **Financial review**

When a charity's income is less than £250,000, it can opt to prepare simpler Receipts and Payments accounts (rather than accruals accounts that comply with the Charities SORP) and the charity has taken advantage of this option this year. It is hoped that users will find these accounts easier to understand. The results reported previously have been re-stated so that they are also presented on a Receipts and Payments basis; details of the restatement can be found in note 7 to the accounts.

The charity continued to raise the funds which it needs to carry on its activities from within its own membership and congregation and from the Pre-School. No wider public appeal was made for funds during the year. Overall income this year increased by £13,000 to £234,000. There are a number of reasons for this:

# HERNE HILL BAPTIST CHURCH

Charity Registration No: 1153419

## Report of the Trustees for the year ended 30 September 2023 (continued)

### Financial review continued

- income from donations and related gift aid increased by £26,000, which was largely due to a gift day held to raise funds for the replacement of the Church boilers.
- the charity benefited from a one off legacy of £23,000.
- the charity received government grants totalling £20,000 in respect of the VAT incurred on the major repairs undertaken both last year and this year.
- the Church manse was let during the year, which helped bolster income from letting premises by £15,000.
- a member of the Church kindly lent the Church £15,000 to help meet the cost of replacing the boilers.

The above increases are offset by a reduction of £87,000 in the income received from The Mustard Seed Christian Pre-School after the decision was taken to close the Pre-School in December 2022 following a reduction in demand.

Overall expenditure fell by £103,000, to £194,000. Again, there are number of reasons for this:

- expenditure on Church activities fell by £38,000. Staff costs fell by £20,000 following Revd Rob May's departure at the end of January 2023. The charity also spent £16,000 less this year on both routine and major repairs.
- expenditure in respect of The Mustard Seed Christian Pre-School fell by £62,000 following its closure at the end of December 2022

The Church expressed its part in the life of the wider Church by making grants to national and international Christian organisations and societies with Christian aims and objectives compatible with the Church's own charitable purposes. Grants totalling £8,000 (2022: £11,000) were distributed this year.

The cash surplus this year was £40,000 (2022: a cash deficit of £76,000) and the overall cash held by the charity increased by this amount to £110,000. Of this £89,000 was held by the unrestricted fund and £21,000 was held by restricted funds.

Herne Hill Baptist Church is, by its nature, a voluntary organisation and no set of financial statements can do justice to all the work done in pursuit of its purposes. In addition, many hours are spent by unpaid volunteer members and associates performing many regular tasks without which Herne Hill Baptist Church would be ineffective. The financial statements do not record the value of such unpaid activities.

Approved by the Managing Trustees and signed on their behalf by:

E A Brown  
[E A Brown \(Apr 12, 2024 12:57 GMT+1\)](#)  
.....  
Elizabeth Brown - Treasurer

9 April 2024  
.....  
Date of approval

## INDEPENDENT EXAMINER'S REPORT

### TO THE TRUSTEES OF

### HERNE HILL BAPTIST CHURCH

I report to the trustees on my examination of the accounts of Herne Hill Baptist Church ('the charity') for the year ended 30 September 2023 on pages 8 to 11 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.

Ajay Rajani  
Ajay Rajani (Apr 12, 2024 14:06 GMT+1)

Ajay Rajani FCIE  
Stewardship  
1 Lamb's Passage  
LONDON  
EC1Y 8AB

Date: Apr 12, 2024



**HERNE HILL BAPTIST CHURCH**  
**RECEIPTS AND PAYMENTS ACCOUNT**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2023**

	Notes	Unrestricted Funds £	Restricted Funds £	2023 £	2022 £
<b><i>Income receipts</i></b>					
<b><i>Church income</i></b>					
Donations		91,709	26,475	118,184	95,566
Gift aid receipts		19,627	5,366	24,993	22,088
Legacies		23,000	-	23,000	-
Government grants		10,025	9,963	19,988	-
Income from church activities		1,506	-	1,506	-
Income from letting of premises		28,545	-	28,545	13,220
Repayment of staff loan		-	-	-	579
Bank interest		308	-	308	60
<b><i>The Mustard Seed Christian Pre-School</i></b>					
Local authority funding			1,722	1,722	66,954
Fees received from parents		-	587	587	21,281
Apprenticeship incentive		-	-	-	1,500
Bank interest		-	145	145	-
		<u>174,720</u>	<u>44,258</u>	<u>218,978</u>	<u>221,248</u>
<b><i>Capital and similar receipts</i></b>					
Loans received		15,000	-	15,000	-
<b><i>Total receipts</i></b>		<b><u>189,720</u></b>	<b><u>44,258</u></b>	<b><u>233,978</u></b>	<b><u>221,248</u></b>
<b><i>Payments</i></b>					
Payments in relation to church activities	2	108,110	59,809	167,919	206,361
Payments in relation to The Mustard Seed Christian Pre-School	3		17,567	17,567	79,695
Grants paid in relation to charitable activities undertaken by others	4	7,500	550	8,050	10,800
<b><i>Total payments</i></b>		<b><u>115,610</u></b>	<b><u>77,926</u></b>	<b><u>193,536</u></b>	<b><u>296,856</u></b>
<b>Net of receipts / (payments) before transfers</b>		<b>74,110</b>	<b>(33,668)</b>	<b>40,442</b>	<b>(75,609)</b>
Transfers between funds	6	(16,914)	16,914	-	-
<b>Net movement in funds</b>		<b><u>57,196</u></b>	<b><u>(16,753)</u></b>	<b><u>40,442</u></b>	<b><u>(75,609)</u></b>
Cash funds as at last year end		31,500	38,037	69,538	145,146
<b>Cash funds at this year end</b>	A	<b><u>88,696</u></b>	<b><u>21,284</u></b>	<b><u>109,980</u></b>	<b><u>69,538</u></b>

The notes on pages 10 and 11 form part of these accounts.

**HERNE HILL BAPTIST CHURCH**  
**STATEMENT OF ASSETS AND LIABILITIES**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2023**

	Notes	Unrestricted funds £	Restricted funds £	2023 £	2022 £
<b>A Cash funds</b>					
Church current account		30,304	270	30,574	5,663
Church deposit account		58,290	-	58,290	25,981
Pre-School current account		-	50	50	2,224
Pre-School deposit account		-	20,964	20,964	35,503
Petty cash		102	-	102	167
		<u>88,696</u>	<u>21,284</u>	<u>109,980</u>	<u>69,538</u>
<b>B Other monetary assets</b>					
Gift aid due to charity		2,190	-	2,190	1,758
Debtors for letting premises		345	-	345	432
		<u>2,535</u>	<u>-</u>	<u>2,535</u>	<u>2,190</u>
<b>C Liabilities</b>					
Loans from members		15,000	-	15,000	-
Provision for repayable employment allowance		-	15,500	15,500	15,500
Payroll taxes		707	-	707	2,188
Grants payable		5,500	-	5,500	1,200
Fee for Independent Examination		1,800	-	1,800	1,800
Gas and electricity		500	-	500	1,384
Speaker's fees and other expenses		170	-	170	86
		<u>23,677</u>	<u>-</u>	<u>39,177</u>	<u>6,658</u>

Since the year end the charity has made loan repayments totalling £10,000 and plans to repay the loan in full by the end of the current financial year. The loan is unsecured and its interest is payable at a rate of 4%

**D Assets retained for charity's own use**

	Fund to which asset belongs	Cost £
Manse	Restricted	174,250
Church building	Restricted	<u>1</u>
		<u>174,251</u>

The manse was purchased in 1998 and cost represents the amount paid to purchase the property.

The church building is situated on land leased from Dulwich Estates. The land is held under a separate Trust Deed that only allows the land to be used as a public place of worship. The historic cost of the building is not known and has been included at a nominal value of £1. The property's insurance value is now £7.7m.

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

E A Brown  
E A Brown (Apr 12, 2024 12:57 GMT+1)

Elizabeth Brown - Treasurer

Date: 9 April 2024

The notes on pages 10 and 11 form part of these accounts.

**HERNE HILL BAPTIST CHURCH**

**NOTES TO THE ACCOUNTS**

**FOR THE YEAR ENDED 30 SEPTEMBER 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.

In the previous year, the charity presented accounts prepared on the accruals basis using the Charities SORP. However, this year it has taken advantage of the option to prepare its accounts on a receipts and payments basis and the results reported previously have been restated; further information is given in note 7 below.

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.

	Unrestricted funds £	Restricted Funds £	Total 2023 £	Total 2022 £
<b>2 Payments in relation to Church activities</b>				
<u>Ministry expenses</u>				
Staff costs	64,920	-	64,920	85,246
Church expenses	8,530	-	8,530	10,986
Equipment	95	-	95	1,229
Training and conferences	170	-	170	1,310
Worship equipment and expenses	-	-	-	354
Youth and children's work	2,530	30	2,560	4,732
<u>Property expenses</u>				
Routine maintenance and repairs	3,194	-	3,194	9,750
Major property repairs	-	59,779	59,779	69,404
Manse expenses including letting fees	12,997	-	12,997	7,103
Insurance	5,600	-	5,600	6,011
Electricity and gas	8,317	-	8,317	8,510
<u>Other support costs</u>				
Bank charges and interest	316	-	316	286
Independent examiner's fee	1,440	-	1,440	1,440
	<u>108,110</u>	<u>59,809</u>	<u>167,919</u>	<u>206,361</u>

**3 Payments in relation to The Mustard Seed Christian Pre-School**

Staff costs	-	17,111	17,111	71,913
Premises expenses	-	-	-	2,760
Operational expenses	-	96	96	3,522
Administrative expenses	-	-	-	1,140
Independent examiner's fee	-	360	360	360
	<u>-</u>	<u>17,567</u>	<u>17,567</u>	<u>79,695</u>

**4 Grants paid in relation to charitable activities undertaken by others**

<u>Grants to institutions</u>				
Baptist Home Mission	for mission	3,300	3,300	3,300
Baptist World Mission	for mission	-	-	2,500
Dnipro Hope Mission	for mission	-	-	1,500
Spurgeons College	for mission	1,000	1,000	1,000
Beacon CAP partnership	relief of hardship	2,000	2,000	1,500
L'Arche	help with learning disabilities	1,200	1,200	-
Other small grants	relief of hardship	-	250	-
<u>Grants to individuals</u>				
Support for those engaged in, or training for, UK and overseas mission		-	300	1,000
		<u>7,500</u>	<u>550</u>	<u>8,050</u>
		<u>7,500</u>	<u>550</u>	<u>10,800</u>

# HERNE HILL BAPTIST CHURCH

## NOTES TO THE ACCOUNTS

### FOR THE YEAR ENDED 30 SEPTEMBER 2023

#### 5 Transactions with related parties

During the year both Revd Rob May and Anne Kemp were employed by the charity and received employment benefits totalling £10,611 (2022: £31,347) and £1,563 (2022: £1,502) respectively. They received these payments for serving as a Church leader and for helping look after the charity's finances, not for serving as trustees; these payments are permitted by the charity's governing document.

In addition the charity provided a manse to Revd Rob May so that he could better perform his duties (which is customary for ministers).

#### 6 Movements in restricted funds

	Opening balance £	Receipts £	Payments £	Transfers £	Closing balance £
Youth Equipment fund	270	-	-	-	270
Mustard Seed Pre-School fund	37,767	2,454	(17,567)	(1,640)	21,014
Repair fund	-	41,224	(59,779)	18,554	-
Other small funds	-	580	(580)	-	-
	<u>38,037</u>	<u>44,258</u>	<u>(77,926)</u>	<u>16,914</u>	<u>21,284</u>

Though there was no formal restriction, previously the net income received by the Mustard Seed Pre-School was ring fenced to help meet the cost of operating the Pre-School. During the year the Pre-School was closed and it is intended that the carried forward balance on the fund (after settling any remaining liabilities) will now be used to help support the Church's work with children and families.

The **Repair** fund was created from donations received to undertake major repairs to church property, which this year comprised replacing boilers in the Church building.

#### 7 Reconciliation with previously reported funds

As explained in note 1 'Accounting Policies', in the previous year the charity prepared its accounts using the accruals basis; in the current year the charity has taken advantage of the option to prepare its accounts on a receipts and payments basis. The comparatives presented in these accounts have been re-stated using the receipts and payments basis and a reconciliation with the reserves and results reported previously follows:

##### Reconciliation of reserves

	2022 £	2021 £
Previously reported reserves, at 30 September	224,161	318,683
Adjustments arising from use of receipts and payments basis:		
Exclusion of previously included fixed assets	(174,251)	(174,251)
Exclusion of previously included debtors	(2,530)	(5,225)
Exclusion of previously included creditors	22,158	5,940
Re-stated reserves, at 30 September	<u>69,538</u>	<u>145,146</u>

##### Reconciliation of results

	2022 £
Previously reported results	(94,521)
Adjustments arising from use of receipts and payments basis:	
Excluded movements in debtors resulting in the recognition of more / (less) income	2,695
Excluded movements in creditors resulting in the recognition of less / (more) expenditure	16,219
Re-stated results	<u>(75,609)</u>