



WAYPOINT
operating as
WAYPOINT CHURCH
(a charitable incorporated organisation)

TRUSTEES' ANNUAL REPORT
and
AUDITED FINANCIAL STATEMENTS

31 December 2023

WAYPOINT operating as **WAYPOINT CHURCH**
(a charitable incorporated organisation)

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WAYPOINT operating as WAYPOINT CHURCH
(a charitable incorporated organisation)

REFERENCE AND ADMINISTRATIVE DETAILS

31 December 2023

THE CHARITY

Registered name	Waypoint
Operating name	Waypoint Church
Legal structure	Charitable Incorporated Organisation
Operating address	255 Hunts Pond Road, Titchfield Common, Fareham, Hampshire, PO14 4PG
Registered charity number	1168433 (England and Wales)
Telephone number	01489 579669
Website	www.waypointchurch.org.uk
Email address	admin@waypointchurch.org.uk

BOARD OF TRUSTEES

Pastorate

Pastor (team leader)	Jim Privett*
Pastor (teaching)	Adam Roseblade* (appointed June 2023)

Elders

Andy Banes Emily Downing (appointed June 2023) Graham Griffiths Rachel Keen
Kevin Leech Mark Palmer (appointed June 2023) Dan Richards (resigned June 2023)

Other elected trustees

Church Treasurer	Graham Woodyet (resigned September 2023) Sarah Mirzaians (appointed September 2023)
Church Secretary	Felicity Shaw
Facilities Team Leader	Paul Warner
Waypoint Hub Leader	Claire Johnson*

Following the adoption of a new Constitution in April 2024, the Elders ceased being members of the Board of Trustees.

The Trustees at the date of this report are:

Jonathan Brown Pete Loughborough Sarah Mirzaians Jim Privett* Adam Roseblade*
Felicity Shaw Paul Warner Peter Wilkinson

* Staff member

PROFESSIONAL ADVISERS

Bankers **CAF Bank Ltd,**

25 Kings Hill Avenue, Kings Hill, West Malling,
Kent, ME19 4JQ

Auditor **Mr S G Talati FCA,** Chartered Accountant and Statutory Auditor,

17 St George's Road, Southsea, Hampshire, PO4 9PL

Solicitors **Anthony Collins Solicitors LLP,**

134 Edmund Street,
Birmingham, B3 2ES

WAYPOINT

(a charitable incorporated organisation)

TRUSTEES' ANNUAL REPORT

Year ended 31 December 2023

The Trustees have pleasure in submitting their annual report and the financial statements of Waypoint (the Church) as at and for the year ended 31 December 2023.

SECTION 1 – OBJECTIVES AND ACTIVITIES

Description of the Church's Trust

The principal objective of the Church is the advancement of the Christian Faith according to the principles of the Baptist denomination including the advancement of education, community service and such other general charitable purposes in such parts of the United Kingdom and the world as the Church shall determine.

Aims

In order to achieve this objective, Waypoint provides a variety of activities both to its membership and to the community. The aim is to show the love of Jesus Christ and to bring people into a closer relationship with Him. In fulfilling this purpose, the Church engages in a range of activities either on its own or with others. Our Mission Statement is "Learning to live and love like Jesus".

Strategies to achieve aims

Central to the work and witness of Waypoint is the provision of regular public services of Christian worship.

These services take place each Sunday and include preaching, teaching and Communion. A programme for children and young people aged 0-16 years is available during the service. There are also occasional All Age Services.

Waypoint has a passion for reaching the community and anybody is free to attend our services. Church services, events and activities are advertised on our website at www.waypointchurch.org.uk.

Sunday services are held simultaneously for two congregations. There is a traditional-styled worship and a contemporary-styled worship both sharing the main Bible Reading and same sermon.

The service is usually streamed to the Church YouTube channel. Our channel has over 500 subscribers and the services are viewed by more than 100 people watching from local and international addresses.

This weblink is an example of one of our streamed services in 2023.

<https://www.youtube.com/watch?v=1tPt6xzFLWQ>

Our streaming service developed at the time of Covid lockdowns and has proved a valuable resource to members and visitors to Waypoint.

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TRUSTEES' ANNUAL REPORT (continued)

Year ended 31 December 2023

Strategies to achieve aims (continued)

Waypoint runs life groups. These are small groups aimed at developing faith and discipleship and providing pastoral care. More than half of our attendees are in a Life Group and we hope to expand this in the coming years.

The Church leadership places great importance on reaching the local community in a variety of ways as can be seen from the activities undertaken set out below.

SECTION 1 – OBJECTIVES AND ACTIVITIES

Measurement of attainments

Although numbers do not reflect the spiritual strength of a church, they do give an indication of growth. During 2023, 25 people were received into membership and 5 people were baptised. The membership stood at 235 on 31 December 2023.

We hope to see the number of people attending Waypoint Church to increase but (and more difficult to measure) to see Christians deepening their Faith and following Christ's teaching in all aspects of their lives.

The footfall of people crossing the threshold of Waypoint Church exceeds 400 in a typical week and our Community Foodbank (Waypoint Hub) assists over 120 families locally. We expect to see this number grow year on year.

The Trustees believe that 2023 was a positive year in the life of the Church.

Activities vary from time to time. Review of specific aims by the Leadership is made throughout the year with activities being initiated, expanded, or ended, as judged appropriate.

SECTION 2 – ACHIEVEMENTS AND PERFORMANCE

In addition to Sunday activities, Waypoint hosts Small Group Activities for our youth ("Connect") and Waypoint Tots – a Tuesday morning event which is a community resource for babies and pre-school children and their parents or carers.

Activities for senior citizens ("seniors") are provided regularly. "Oasis" is a regular meeting sharing Faith Hope and Love and occasional afternoon teas. We welcome Seniors in a warm, loving and friendly environment.

Events were held during 2023 for our Members, attendees and the wider community which included a Summer Fun Day and Christmas Craft Fayre.

Christmas services were held throughout December offering our congregation and community a variety of opportunities to celebrate Christmas with different styles of music and teaching.

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TRUSTEES' ANNUAL REPORT (continued)

Year ended 31 December 2023

SECTION 2 – ACHIEVEMENTS AND PERFORMANCE (continued)

Waypoint has a pastoral team that supports Church Members and attendees in times of difficulty. Their work fulfils our Mission “Learning to live and love like Jesus”.

Waypoint is dependent on its membership serving as volunteers in all aspects of the Church’s activities.

The Alpha Course runs for people who would like to explore the Christian faith. This is a welcoming small group designed to help anyone exploring ideas to answer the big questions about life in a safe and supportive environment.

We have a group called Kintsugi Hope. This runs a course designed for equipping people with skills to support and improve their mental health and wellbeing.

The Church runs a Golf Society and Football Team and encourages membership from within the Church and from the local community.

The Church supports three mission projects; Enable the Children in Sierra Leone, Rock Projects in Uganda and Hands at Work in South Africa.

The Church supports a Church Member who is a missionary based in South Africa and working across countries in sub-Saharan Africa.

The Church also supported an a Member who links with a School in a deprived town in RSA to supply reading books and equipment.

The Church sent out a team of Volunteers to Uganda to join Rock Projects in the refurbishment of a Children’s Activity Centre and to support health and dental care to that community.

Many of our Church Members volunteer regularly in one, some or many ministries. It is through our volunteers that we stock and maintain and deliver food through our foodbank. It is through our volunteers that we serve the “Seniors” within the Church and serve the Children and Young People. Our Café is staffed mainly by volunteers. Additionally, volunteers maintain the grounds, serve refreshments, keep the building up to standard, visit the sick and provide music or technical services for our Sunday Services and Events.

The Church supported the Baptist Union’s Missionary Society and Home Mission Fund as well

The Church supported emergency disaster appeals of Tearfund in their Pakistan humanitarian crisis appeal, Hope Now in their work in Ukraine during the war and World Vision in their Somalia famine appeal.

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TRUSTEES' ANNUAL REPORT (continued)

Year ended 31 December 2023

SECTION 2- ACHEIVEMENTS AND PERFORMANCE (continued)

Waypoint also supported Time for Marriage, a charity that offers support and resources to help renew and strengthen marriages. This team have been able to provide marriage support as needs arise. This team is used for pre-marriage work and to strengthen relationships. Sometimes it has been used to help couples experiencing relationship difficulty.

Church Members served as volunteers in many other local charities and organisations.

Rooms in the premises are hired by an independent pre-school, the NHS for blood donation services, the local council as a polling station and community groups. Waypoint hosted the 2023 Fareham Borough Council Mayor Investiture. Waypoint has also hosted the local PCN for the meeting of GPs and other Healthcare Professionals in the area.

Waypoint Café is open for three days and one evening per week. This provides food, drink and wi-fi in a friendly environment. It is staffed by volunteers who are all appropriately trained in food hygiene and café policies. Our funds allowed us to appoint a salaried part-time Café manager in July 2023.

Some of the team members within our ministries are paid but most members are volunteers.

Waypoint Hub (the Hub) has continued to grow and help increasing numbers of people in need, predominantly within the Western Wards of Fareham. Three drop-in sessions were held each week. Two services are offered:

- 1) a Foodbank giving out free emergency food parcels.
- 2) "More 4 Less" a donation-based scheme.

On average in 2023 we supported 120 households each week and gave out a total of 6,040 food parcels.

The Hub is partnered with the Trussell Trust and also works closely with local schools, local and county councils, Citizens Advice and other local statutory and voluntary organisations. Grant funding and donations of food and finances from trusts, local organisations, businesses and individuals in our church and the community continue to sustain this ministry.

The Hub is considered a key part of our local mission "Learning to live and love like Jesus" beyond the buildings of Waypoint.

The Trustees confirm they have complied with the duty imposed by the Charities Act 2011 and have given due regard to the guidance in respect of public benefit.

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TRUSTEES' ANNUAL REPORT (continued)

Year ended 31 December 2023

SECTION 3 - FINANCIAL REVIEW

The financial results for the year, together with a summary of the accounting policies adopted are set out in the accompanying financial statements. The Church generated a surplus on General Fund operations of £42,510, adjusted to £44,110 after a £1,600 fund transfer towards payroll costs from the Hub. This surplus includes the £41,694 release of the provision for the defined benefit pension deficit no longer required (see Note 29). The surplus before this exceptional release and transfer amounted to £2,416. In 2022 the Church sustained a deficit in General Fund operations of £12,507, improved to a shortfall of just £7 following a £12,500 transfer from the Hub. This was then further improved by the gain on investment assets (see Note 7). The net movement in unrestricted funds for 2023 was a surplus of £44,110 (2022: £45,705).

The Church's total reserves at 31 December 2023 were £4,345,386 (2022: £4,283,164) of which the Waypoint Hub restricted fund was £54,956 (2022: £36,844). Designated funds related to the properties totalled £3,919,998 (2022: £3,950,167), the decrease relating to the buildings depreciation charge, partially offset by the value of capital repayments of the mortgage loan. This fund can only be realised by the disposal of the properties to which it relates.

The Church's reserves on general fund at the balance sheet date amounted to £370,432 compared with £296,153 at 31 December 2022. Liquid resources increased to £298,431 in 2023 from £235,457 at 31 December 2022.

Details of Waypoint Café trading income and expenses are set out in Notes 14 and 17. In 2023 a small salary payment was started to the café manager to reflect the time invested in the operation. The day-to-day operation remains entirely volunteer run. The net contribution to Church funds in the year amounted to £10,671 (2022: £14,981).

It is the intention of the Church to hold a cash reserve equivalent to a minimum of six and a maximum of nine months' general running costs (including salaries and mortgage payments but excluding depreciation) to cover unforeseen emergencies.

The Waypoint Hub is a restricted income fund that provides food and other household necessities to the needy in the local community. The activity has grown since its inception from March 2020 and is funded by personal donations and grants (see Notes 12 and 13). Its total income in the year amounted to £181,107 (2022: £124,513) and its direct expenditure to £161,395 (2022: £111,111).

The Church's total reserves on general fund amount to £370,432 (2022: £296,153) of which £255,146 (2022: £196,981) is expendable.

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TRUSTEES' ANNUAL REPORT (continued)

Year ended 31 December 2023

SECTION 3 - FINANCIAL REVIEW (continued)

The Trustees have made an assessment of the major risks facing the Church, and are satisfied that there are policies in place to minimise these risks.

The Church is dependent on its membership serving as volunteers in all aspects of the Church's activities. The Trustees consider that it is impractical to place an economic value on such service.

SECTION 4 – PLANS FOR FUTURE PERIODS AND SUBSEQUENT EVENTS

Future commitments

Completion of the South Building was confirmed by Building Control inspectors in 2019. Certain finishing works outside the scope of Building Control regulations continued throughout 2020. The Church is continuing to fundraise for further fitting out works that are expected to cost around £280,000 but no firm timetable has been set for when these works are to be carried out. Completion of these works will enable the Church to provide further activities, courses and services for the Church congregation and for the community on its premises.

We recognise that hiring out our buildings is a helpful source of revenue and with that in mind, we have plans to upgrade the North Building Auditorium and the North Building Kitchen. The projects will only begin when we have identified financial resources to complete them.

We currently have regular bookings from community groups, local Health groups and sports groups and we hope to attract further interest and plan to host Fareham Borough Council for the investiture of the Mayor again alongside new sports groups and new community groups.

Waypoint Café is currently open three days a week and one evening per week. We hope to extend these opening hours on these days and to add a fourth day in 2024. The limiting factor in this is the availability of our volunteers to serve.

As Waypoint grows in numbers (footfall and membership), we recognise the need to keep people connected and plan to do this by strengthening our Small Group structures⁴ and to encourage discipleship pairing. The purposes of these strategies are to deepen the relationships between members and visitors and help them mature in their faith.

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TRUSTEES' ANNUAL REPORT (continued)

Year ended 31 December 2023

Legal structure

The Church is a Charitable Incorporated Organisation (CIO) which is governed by a Constitution that was filed with the Charity Commission on 26 July 2016 as part of the incorporation process. This constitution follows the model agreed by The Baptist Union Corporation of Great Britain and approved by the Church members in Special meeting.

The Trustees are elected by a Special Church Members' Meeting on a three-year rotation. The board of the elected Trustees is known as the Full Leadership Team and all operating decisions are made by them.

Governance concerning Church membership

Members of the Church are accepted in accordance with the Governing Constitution which requires them:

- to be or to have been publicly baptised on the profession of faith in Jesus Christ;
- or, following other modes of baptism to renew their public profession of faith in Jesus Christ; or,
- who may be considering baptism.

Members' Meetings normally take place five times per year. The members' meeting has responsibility for the overall policy of the Church. In accordance with the Constitution, the members appoint Elders and Trustees together with the Ministers (Pastors), Church Secretary and Treasurer, and collectively known as the Full Leadership Team, were responsible for the day-to-day running of the Church's work and witness and for the financial and legal aspects of the Church until the adoption of a revised constitution in April 2024. The effect of this revised constitution has been to separate the functions of the eldership and the board of trustees, the former being responsible for the Church's spiritual development and the latter responsible for the day-to-day management of the Church. As a result of this change, the elders are no longer Charity trustees.

All members are encouraged to take an appropriate part in the spiritual and practical tasks involved in furtherance of the Church's aims.

Relevant matters may be submitted to the Church Meeting by the Trustees for guidance, or may be raised by members in Church Meetings for further consideration by the Trustees. Though the revised constitution permits decisions to be made at quorate Church Meetings by appropriate majorities, the Church seeks to work by consensus wherever possible.

WAYPOINT

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TRUSTEES' ANNUAL REPORT (continued)

Year ended 31 December 2023

SECTION 5 – STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Other governance matters

The Church is affiliated to the Baptist Union of Great Britain (the BU) and receives guidance from them on a range of regulatory matters which the Church implements as appropriate. However, the BU has no direct influence upon the operating policies of the Church.

All decisions are taken by Trustees who are accountable to the Church Meeting and work within agreed budgets.

The Church follows the Charity Commission guidance concerning the induction and training of Trustees.

Staff salaries including Ministers' stipends are reviewed annually by a pay review committee formed of unremunerated Trustees and other Church Members and their deliberations are reported to the Trustees.

The Church operates a Safeguarding Policy and has put systems in place to ensure that all people working with those under 18 are appropriately vetted, and undergo the necessary Disclosure and Barring Service (DBS) checks. This policy also applies to people working with Adults at Risk.

The Church ensures good practice in First Aid, Food Safety and Food Hygiene by making training available.

The Church holds Insurance with the Baptist Insurance Company including Employer's Liability Insurance.

By order of the Board of Trustees,

.....
F Shaw (Dr)
Church Secretary

8 October 2024

WAYPOINT

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TRUSTEES' ANNUAL REPORT (continued)

Year ended 31 December 2023

STATEMENT OF TRUSTEES' RESPONSIBILITIES

Responsibilities relating to the financial statements

Law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each accounting period which give a true and fair view of the Charity's financial activities during the period and of its financial position at the end of the financial period. In preparing financial statements giving a true and fair view, the Trustees should follow best practice and:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and recommended practice 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.

Other responsibilities

The Trustees are also responsible for:

- keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011.
- safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.
- the maintenance and integrity of the Charity and financial information included on the Charity's website.
- the maintenance and integrity of the Charity and the financial information included on the Charity's website.
- safeguarding children, young people and adults who may be at risk.
- safe data processing and storage under GDPR. Waypoint is registered with the ICO.
- human resources which includes the employment of nine people.
- entering into contracts for service and management of our facilities.
- the health and safety of staff, volunteers and other visitors to Waypoint premises.

To The Board of Trustees
Waypoint *operating as* Waypoint Church
255 Hunts Pond Road
Titchfield Common, Fareham,
Hampshire PO14 4PG

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF WAYPOINT

(a charitable incorporated organisation)

Opinion

I have audited the financial statements of Waypoint (the Church) for the year ended 31 December 2023 which comprise the balance sheet, statement of financial activities, statement of cash flows and notes 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 'The Financial Reporting Standard applicable in the UK' (United Kingdom Generally Accepted Accounting Practice).

In my opinion, the financial statements:

- give a true and fair view of the state of the Church's affairs as at 31 December 2023 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Charities Act 2011 (the Act).

Basis for opinion

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. My responsibilities under those standards are further described in the auditor responsibilities for the audit of the financial statements section of my report. I am independent of the Church in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK, including the Ethical Standard of Financial Reporting Council (FRC), and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements was appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Church's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF WAYPOINT (continued)

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 my auditor's report thereon. My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or my knowledge obtained in the audit or otherwise appears to have been materially misstated.

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether there is a material misstatement in the financial statements. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Matters on which I am required to report by exception

In the light of the knowledge and understanding of the Church and its environment obtained in the course of the audit, I have not identified material misstatements in the Trustees' Annual Report.

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

- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- I have not received all the information and explanations I require for my audit.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out on page 13, the trustees are responsible for the preparation of the financial statements and for being satisfied that they 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 Church'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 Church or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF WAYPOINT (continued)

Auditor responsibilities for the audit of the financial statements (continued)

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but it 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 considered material if, individually or in aggregate they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I designed procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which my procedures are capable of detecting irregularities, including fraud is detailed below.

I gained an understanding of the legal and regulatory framework applicable to the Church and considered the risk of acts by the Church which were contrary to applicable laws and regulations, including fraud. These included compliance with the Act and United Kingdom accounting standards. I discussed compliance with this framework through discussions with management and performed audit procedures on these areas as considered necessary. My procedures involved review of the reporting to the Trustees with respect to compliance with laws and regulations and the review of minutes of Trustees and other meetings.

I focused on laws and regulations that could give rise to a material misstatement in the Church financial statements. My tests included:

- agreement of the financial statement disclosures to the underlying supporting documentation;
- enquiries of management;
- testing of journal postings during the year to identify potential override of controls;
- review of minutes of Trustee and other meetings available to me; and,
- obtaining an understanding of the control environment in monitoring compliance with laws and regulations.

My audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one due to error, as fraud may involve deliberate concealment by, for example, forgery misrepresentations through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely I am to become aware of it.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF WAYPOINT (continued)

I have been appointed as auditor under section 144 of the Act and report in accordance with it and the relevant regulations made or having effect thereunder. I am eligible for appointment to act as statutory auditor under section 1212 of the Companies Act 2006.

In the previous accounting year, I considered that evidence of donations of goods and cash received by Waypoint Hub (the Hub) was not sufficiently verifiable by conventional audit procedures and, as a result, was not capable of detecting irregularities (should any exist). However, since the adoption of the internal control procedures introduced from November 2022 when the Hub entered into an association with the Trussell Trust, I consider that the risk of financial irregularity in this activity in year under review has been reduced to a level that no longer requires comment in this report.

A further description of my responsibilities for the audit of financial statements is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of my auditor's report.

Use of my report

This report is made to the Trustees as a body, in accordance with section 144 and regulations made under section 154 of the Act. My audit work has been undertaken so that I might state to the Church's Trustees those matters I am required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Church and the Church's Trustees as a body, for my audit work, for this report, or for the opinions I have formed.

.....
S G Talati FCA
Statutory Auditor

8 October 2024

Chartered Accountant,
17 St George's Road,
Southsea,
Hampshire PO4 9PL

WAYPOINT
(a charitable incorporated organisation)

BALANCE SHEET

31 December 2023

	<u>Note</u>	<u>2023</u> £	<u>2022</u> £
FIXED ASSETS			
Tangible assets	6	<u>5,301,556</u>	<u>5,382,542</u>
CURRENT ASSETS			
Debtors	8	30,780	12,184
Cash and cash equivalents		<u>298,431</u>	<u>235,457</u>
Total current assets		329,211	247,641
LIABILITIES			
Creditors: Amounts falling due within one year	9	<u>(53,021)</u>	<u>(45,039)</u>
Net current assets		<u>276,190</u>	<u>202,602</u>
Total assets, less current liabilities		5,557,746	5,585,144
Creditors: Amounts falling due after more than one year	10	<u>(1,232,360)</u>	<u>(1,301,980)</u>
NET ASSETS	24	<u>£4,345,386</u>	<u>£4,283,164</u>
THE FUNDS OF THE CHARITY	11		
Unrestricted funds		4,290,430	4,246,320
Restricted income funds		<u>54,956</u>	<u>36,844</u>
TOTAL CHARITY FUNDS		<u>£4,345,386</u>	<u>£4,283,164</u>

Approved by the Board of Trustees for issue on
8 October 2024 and signed on its behalf by:

..... Treasurer
S Mirzaians

The notes set out on pages 21 to 40 form part of these financial statements.

WAYPOINT

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STATEMENT OF FINANCIAL ACTIVITIES

Year ended 31 December 2023

		2023			2022		
	Note	Unrest- ricted £	Rest- ricted £	Total £	Unrest- ricted £	Rest- ricted £	Total £
INCOME FROM							
Donations and legacies	12	402,218	107,515	509,733	350,802	55,602	406,404
Charitable activities	13	47,958	73,592	121,550	29,076	68,880	97,956
Other trading	14	27,896		27,896	26,689		26,689
Investments	15	2,776		2,776	8,068	31	8,099
Total income		480,848	181,107	661,955	414,635	124,513	539,148
EXPENDITURE ON							
Charitable activities	16	357,851	161,395	519,246	327,893	111,111	439,004
Other trading	17	17,225		17,225	11,708		11,708
Other expenditure	20	104,956		104,956	87,541		87,541
Release of provision for defined benefit pension deficit no longer required		(41,694)		(41,694)			-
Total expenditure		438,338	161,395	599,733	427,142	111,111	538,253
NET OPERATING INCOME		42,510	19,712	62,222	(12,507)	13,402	895
GAIN ON INVESTMENT ASSET	7			-	45,712	-	45,712
NET INCOME		42,510	19,712	62,222	33,205	13,402	46,607
TRANSFERS BETWEEN FUNDS	23	1,600	(1,600)	-	12,500	(12,500)	-
NET MOVEMENT IN FUNDS		44,110	18,112	62,222	45,705	902	46,607
RECONCILIATION OF FUNDS							
Total funds brought forward	11	4,246,320	36,844	4,283,164	4,200,615	35,942	4,236,557
TOTAL FUNDS CARRIED FORWARD	11	£4,290,430	£ 54,956	£4,345,386	£4,246,320	£ 36,844	£4,283,164

The notes set out on pages 21 to 40 form part of these financial statements.

WAYPOINT
(a charitable incorporated organisation)
STATEMENT OF CASH FLOWS
31 December 2023

	<u>2023</u> £	<u>2022</u> £
Cash flows arising from charitable operating activities		
Net operating income for the year (as per statement of financial activities)	62,222	895
Adjustments for:		
Depreciation charges and losses on disposal of tangible fixed assets	83,673	84,167
Mortgage interest	97,388	76,420
Hire purchase and capital lease interest	265	303
Decrease in debtors	(18,596)	2,075
Increase/(decrease) in creditors	7,873	(3,436)
Pension provision no longer required	(41,694)	-
Net cash provided by charitable operating activities	<u>191,131</u>	<u>160,424</u>
Cash flows from investing activities		
Refund re construction of South Building	-	8,920
Purchases of furniture and equipment	(2,687)	(1,890)
Proceeds of disposal of investment property	-	510,712
Cash (used in) provided by investing activities	<u>(2,687)</u>	<u>517,742</u>
Cash flows from financing activities		
Deficiency contributions paid in respect of defined benefit pension liability	(12)	(4,782)
Mortgage loan repayments	(123,338)	(638,975)
Hire purchase and capital lease payments	(2,120)	(4,465)
Cash provided by (used in) finance activities	<u>(125,470)</u>	<u>(648,222)</u>
Increase (decrease) in cash and cash equivalents in the year	62,974	29,944
Cash and cash equivalents at the beginning of the year	<u>235,457</u>	<u>205,513</u>
Cash and cash equivalents at the end of the year	<u><u>£298,431</u></u>	<u><u>£235,457</u></u>
Analysis of cash and cash equivalents		
Cash in hand	804	101
Cash at bank on call	289,133	227,068
Cash on deposit at 60 days' notice	8,494	8,288
	<u><u>£298,431</u></u>	<u><u>£235,457</u></u>

The notes set out on pages 21 to 40 form part of these financial statements.

WAYPOINT
(a charitable incorporated organisation)
NOTES TO THE FINANCIAL STATEMENTS
31 December 2023

NOTE 1 — LEGAL STATUS, OBJECTIVES AND AFFILIATION OF WAYPOINT

Waypoint (the Church) is a charitable incorporated organisation (CIO) incorporated in England and Wales and is governed by a constitution with the objects to:

- fulfil the role of a Christian Church in the Western Wards of Fareham, Hampshire and surrounding area, and
- provide help to others promoting the Christian faith in the UK and overseas.

The Church is a Public Benefit Entity within the meaning of FRS 102 and is a member church of the Baptist Union of Great Britain (BUGB), an unincorporated charitable trust registration no. 1125912.

NOTE 2 – ACCOUNTING FRAMEWORK AND COMPLIANCE

The financial statements have been set out in accordance with the accounting framework required under:

- the Charities (Accounts and Reports) Regulations 2008;
- the accounting regulations set out under the Charities Act 2011;
- Financial Reporting Standard 102 (FRS 102);
- the Statement of Recommended Practice (the SORP).

There were no material departures from those standards.

To assist the Church's compliance with this framework, the Auditor provides accountancy services permitted under the FRC Ethical Standard 6 – Provisions Available to Auditors of Small Entities. These services are conducted on the basis that the Church has informed management who understand and approve the accountancy work the Auditor carries out.

NOTE 3 — NATURE AND PURPOSE OF PRINCIPAL FUNDS

The principal designated and restricted funds are as follows:

Designated funds

- (a) *Functional premises* – funds representing the carrying value of the North and South buildings, net of related mortgage loan.
- (b) *Investment property* – funds representing the fair value of a former manse that was commercially let until June 2022. The property was sold on 15 November 2022 and this fund was closed on that date.

WAYPOINT
(a charitable incorporated organisation)
NOTES TO THE FINANCIAL STATEMENTS
31 December 2023

NOTE 3 — NATURE AND PURPOSE OF PRINCIPAL FUNDS (continued)

(c) Waypoint Hub – for the provision of social welfare including food, clothing and other essentials to the needy in the local community funded by local authority and community grants; corporate and personal donations; and contributions from beneficiaries.

NOTE 4 — ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements set out below have remained unchanged from the previous year and been consistently applied in the year under review.

(a) Basis and content of the financial statements

The financial statements have been prepared on the basis of historical cost as modified by the fair valuation of its investment property until its sale (see Note 3(b) above).

The financial statements are expressed in pounds Sterling rounded to the nearest pound and include all the assets and liabilities under the control of the Trustees of the Church.

(b) Going concern

The Church's financial statements are prepared on the going concern basis of accounting unless the Trustees intend to cease operations or have no realistic alternative but to do so. In assessing whether the going concern basis of accounting is appropriate, the Trustees take into account all available information about the future, which is at least, but not limited to, twelve months from the date the financial statements are authorised for issue.

(c) Tangible fixed assets and depreciation

Functional freehold properties

The Church premises have been capitalised at cost (estimated where actual cost information is no longer available) and are being depreciated over their economic lives at 1% straight line p.a. from the date the properties were first brought into use.

Sums considered to represent significant enhancement expenditures but which do not extend the useful lives of the buildings are capitalised and depreciated over the remainder of the original term. Expenditures on bringing the properties and facilities up to a modern acceptable standard are charged to the SOFA as incurred.

WAYPOINT
(a charitable incorporated organisation)
NOTES TO THE FINANCIAL STATEMENTS
31 December 2023

NOTE 4 — ACCOUNTING POLICIES (continued)

Furniture, fittings and equipment

Individual items of furniture, fittings and equipment costing not less than £750 (2022: £500) or groups of items (such as seating) costing in total not less than £2,000 are capitalised and depreciated over their estimated economic lives at rates between 6.7% and 25% on a straight-line basis from the date the assets are brought into use. Lesser sums are charged to the SOFA as incurred.

Impairment losses

Any impairment provision considered necessary against the carrying value of functional properties or furniture, fittings and equipment is charged to the SOFA in the accounting period in which the impairment loss is recognised.

Investment property

The property was valued at its fair value (defined in FRS 102) as estimated by the Trustees in consultation with the letting agent at the balance sheet date. This property was sold in 2022 (see Note 7).

(d) Stock

Stocks of Café and Hub supplies are not counted or valued since the quantities held are limited and the stock turnover is rapid.

(e) Debtors

Debtors are stated at the amounts due to the Church at the balance sheet date. Prepayments are recorded for the proportion of the time-based expenditures attributable to the ensuing year.

(f) Cash and cash equivalents

Cash and cash equivalents comprise the amounts held in bank current accounts and cash in hand together with bank deposits on less than 90 days' notice at the balance sheet date.

WAYPOINT
(a charitable incorporated organisation)
NOTES TO THE FINANCIAL STATEMENTS
31 December 2023

(g) Liabilities

1 Generally

Liabilities are recognised as soon as an outflow of economic benefits is considered more likely than not to occur under a legal or constructive obligation committing the Church to pay out resources. Creditors that are current liabilities, other than the Church's defined benefit commitment to the Baptist Pension Scheme, are recognised at the settlement amount expected to be paid at the balance sheet date.

2 Deferral of income

Income received which cannot be recognised at the balance sheet date is deferred as a current liability.

3 Defined benefit pension contributions

A minister was a participant in a section of the Baptist Pension Scheme until ceasing to act effective 31 July 2021. This scheme is a multi-employer scheme that provided defined benefit (DB) pensions up to 31 December 2011 when the Scheme was closed to future DB accrual. Since the Church no longer has a member in the Scheme, in accordance with the Scheme rules a 'cessation event' has been triggered. As a consequence, it is required that an annuity is purchased that meets the Church's employer debt. The Church had provided for the whole cost of this debt including the professional fees related thereto as notified by the Scheme trustee as at 31 December 2022. However, other factors notified by the Scheme are likely to eliminate this liability in its entirety. Fuller details of the circumstances are provided in Note 29.

(h) Funds

Tithes, donations and grants received for non-specific purposes or general funding are available for utilisation at the discretion of the Trustees and are dealt with through the General Fund.

Certain designated funds have been created by the Trustees to ring-fence resources that are (1) not considered to be readily expendable or (2) held for specific non-restricted future purposes.

Grants and donations received for specific charitable projects are treated as restricted income funds available only for use on such specified projects. Restricted fund deficits are carried forward provided the Trustees are satisfied that future funding will cover such deficits on a last-in-first-out basis.

WAYPOINT
(a charitable incorporated organisation)
NOTES TO THE FINANCIAL STATEMENTS
31 December 2023

NOTE 4 — ACCOUNTING POLICIES (continued)

(i) Contingencies

1 Contingent assets

Contingent assets (including reductions to known recorded liabilities) are not recognised in the financial statements unless the benefit is virtually certain to be obtained. Where an inflow of economic benefits is probable, a description of the nature of the contingent asset is made in the Notes to the Financial Statements together with an estimate of the financial effect where this is practical to ascertain. No disclosure is made of less certain contingent assets.

2 Contingent liabilities

A description of a possible but uncertain obligation or a present obligation that cannot be reliably estimated is made in the Notes to the Financial Statements providing where practical:

- an estimate of its financial effect;
- an indication of the uncertainties relating to the amount or timing of any outflow; and, the possibility of any reimbursement.

(j) Income recognition

Income is brought into account when it is more likely than not that the economic benefit will accrue to the Church.

1 Tithes and donations

General tithes and donations received without pre-conditions attached are recognised on receipt. Gifts subject to performance-related or other conditions are recognised when such conditions are fulfilled and all the donors' associated requirements concerning them have been complied with.

2 Grants receivable

A grant that becomes receivable on the occurrence of a specified event is recognised when that event has occurred and all the grantor's requirements with it have been complied with.

3 Gift Aid

Tax refunds receivable under gift aid arrangements are recognised by reference to the date of the related gift. Gift aid recoverable on donations to trust and special funds is credited to the General Fund.

4 Legacies

Incoming resources from legacies are recognised when there is reasonable certainty that the legacy will be received and the value can be reliably measured.

WAYPOINT
(a charitable incorporated organisation)
NOTES TO THE FINANCIAL STATEMENTS
31 December 2023

NOTE 4 — ACCOUNTING POLICIES (continued)

(j) Income recognition (continued)

5 Other operating income

- Trading income is recorded separately from other income and is recognised as sales are made.
- Charges for hire of rooms and facilities to third parties are recognised in accordance with the period of letting per the related hire agreement.

6 Investment income

- Property rental income is recognised in accordance with the period of letting specified in the related shorthold tenancy agreement.
- Interest receivable is recognised in the period in which it was earned.

7 Deferral of income

See policy note (g)2.

8 Gifts in kind and intangible income

Tangible assets received as gifts for use by the Church with a market value of not less than £750 (2022: £500) are treated as incoming resources at their actual or estimated value, including VAT where appropriate at the date the gift was made. Gifts of fixed assets are correspondingly capitalised in accordance with policy (c) above. Donated assets with a value of less than £750 (2022: £500) are not accounted for.

The estimated value of food and household consumables donated to the Waypoint Hub (see Note 3(c)) is recorded as voluntary income and an equal amount recorded as purchases of supplies. Donated facilities and services are recognised as incoming resources insofar as another party is bearing the financial cost of the resources supplied and the benefit is quantifiable and measurable. An equivalent cost is recorded under the appropriate expenditure caption in the SOFA.

The Church is dependent on its congregation serving as volunteers in a wide variety of Church activities. The value of volunteers' time is not recognised in the financial statements since there is no measurable cost for their services.

WAYPOINT
(a charitable incorporated organisation)
NOTES TO THE FINANCIAL STATEMENTS
31 December 2023

(k) Expenditure

Expenditure is recognised when a liability is incurred or a constructive obligation arises that results in a payment being unavoidable or a commitment to pay that is intended to be acted upon.

1 Charitable grant expenditure and donations

Mission support contributions are made to organisations and individuals engaged in projects that the Church supports. Such contributions are recognised as expenditure at the earlier of payment or when they are communicated to the prospective recipient. The individual amounts defrayed, included in the *Church life, outreach and mission* caption in Note 16, are disclosed only when they are considered to be material in the context of the Church's overall charitable activities.

2 Payroll cost

Payroll cost includes the gross salaries, employer's national insurance and pension contributions of Church ministers and staff. Staff termination costs are recognised at the contractual date of severance.

3 Fundraising and publicity costs

The Church does not engage in making formal appeals outside the Church congregation that involve incurring significant costs to generate the related income. The Church has applied for grants from outside sources towards the Waypoint Hub but no external costs are incurred in making such applications.

4 Material expenditure

Where it is necessary to provide an understanding of the Church's financial results, the nature of expenditure (including reversals of expenditure recorded in previous financial years) are recorded separately on the face of the SOFA.

5 Other expenditure

Insofar as it is necessary to disclose separately different elements of income, related expenditure is also disclosed separately.

6 Defined contribution pension arrangements

The Church operates defined pension contribution arrangements for ministers and certain staff. These contributions are charged as expenditure when they fall due and are invested separately from the Church's assets.

WAYPOINT
(a charitable incorporated organisation)
NOTES TO THE FINANCIAL STATEMENTS
31 December 2023

NOTE 4 — ACCOUNTING POLICIES (continued)

(k) Expenditure (continued)

7 Defined benefit pension arrangements

The present value (PV) of deficiency contributions required by the Scheme reduces the DB liability at PV carried in the balance sheet. The implicit finance cost representing the difference between deficiency contributions paid and their respective PVs is charged to the SOFA but this ceased to apply from 31 July 2021 when a cessation event occurred. Since then, the liability to purchase the required annuity was deferred in accordance with Scheme rules but deficiency contributions required by the Scheme continued until August 2022. Since then, the Scheme moved into a surplus position and deficiency contributions have been reduced to a nominal sum. See Note 29 for further details.

(l) Value added tax

Since the Church is not registered for VAT, the cost of all input VAT charged to the Church is included with the expense to which it relates.

Regarding the construction of the South Building referred to in (c) above, the Trustees consider that Church is the recipient of services for a relevant charitable purpose otherwise in the course or furtherance of business and, subject to the critical judgement explained in Note 5(a) continues to be entitled to zero-rating for VAT.

As explained in Note 6, the Church has disclaimed its zero-rating entitlement attributable to the area used by Waypoint Café for trading purposes.

(m) Charitable support and administration

All central costs for charitable support and administrative charges are met from general funds. A charge has been made to Waypoint Hub for partial recovery of salary and occupancy costs borne by the General Fund (see Note 23).

(n) Corporation tax

The Church is exempted under tax legislation from liability to corporation tax on its operating surpluses, investment income or capital gains whilst it pursues its charitable objectives.

WAYPOINT
(a charitable incorporated organisation)
NOTES TO THE FINANCIAL STATEMENTS
31 December 2023

NOTE 5 – CRITICAL JUDGEMENTS AND ESTIMATION UNCERTAINTIES

Judgements

In preparing these financial statements, the only judgements that have been made in applying the Church's accounting policies, other than estimation uncertainties (see below) that have a significant effect on the amounts recognised in the financial statements, are:

(a) VAT zero-rating on construction of the South Building

As stated in Note 4(l), the Church has claimed VAT zero-rating on the new build at a saving of approximately £700,000. It is open to HM Revenue and Customs to dispute the Church's claim and seek to recover this saving plus penalties. The Trustees are aware of this risk and have made every effort to ensure compliance with the zero-rating requirements. Accordingly, the Trustees consider that the prospect of HMRC successfully disputing the Church's claim to be remote.

(b) Consideration of possible impairment of functional freehold properties

The Trustees consider that the North and South Buildings each meet their intended service potential expectations and, accordingly, in their judgement the value in use of these premises to the Church is not impaired at 31 December 2023.

Estimation uncertainties

The key sources of estimation uncertainty that represent a significant risk to the carrying value of assets and liabilities within the next financial year are:

(a) Depreciation of freehold buildings

Freehold properties other than freehold land are depreciated over their estimated useful lives as stated in accounting policy Note 4(c) taking into account factors affecting operating longevity, regular maintenance programmes and residual values where appropriate. The Church's policy is to write off the construction cost of functional Church buildings over 100 years. However, this policy is reviewed annually by the Trustees and may require re-assessment for factors such as technical innovation, building regulations and changes in user preferences that could affect the future charges for depreciation.

WAYPOINT
(a charitable incorporated organisation)
NOTES TO THE FINANCIAL STATEMENTS
31 December 2023

NOTE 6 — TANGIBLE FIXED ASSETS

	<u>Functional freehold properties</u> £	<u>Furniture, fittings & equipment</u> £	<u>Total</u> £
<u>Year ended 31 December 2023</u>			
Cost or valuation			
At beginning of year	5,681,146	251,426	5,932,572
Additions during year		2,687	2,687
At 31 December 2023	<u>5,681,146</u>	<u>254,113</u>	<u>5,935,259</u>
Depreciation			
At beginning of period	441,364	108,666	550,030
Charge for year	56,118	27,555	83,673
At 31 December 2023	<u>497,482</u>	<u>136,221</u>	<u>633,703</u>
Net book value			
At 31 December 2023	<u>£5,183,664</u>	<u>£117,892</u>	<u>£5,301,556</u>
<u>Year ended 31 December 2022</u>			
Cost or valuation			
At beginning of year	5,690,066	249,536	5,939,602
Additions during year (cost recovery)	(8,920)	1,890	(7,030)
At 31 December 2022	<u>5,681,146</u>	<u>251,426</u>	<u>5,932,572</u>
Depreciation			
At beginning of period	385,246	80,617	465,863
Charge for year	56,118	28,049	84,167
At 31 December 2022	<u>441,364</u>	<u>108,666</u>	<u>550,030</u>
Net book value			
At 31 December 2022	<u>£5,239,782</u>	<u>£142,760</u>	<u>£5,382,542</u>

The mortgage loan facility described in Note 10 is secured by a first legal mortgage and charge dated 20 June 2018 against the Church's functional freehold properties that have a combined carrying value at 31 December 2023 and 31 December 2022 of £5,183,664 and £5,239,782 respectively.

WAYPOINT
(a charitable incorporated organisation)
NOTES TO THE FINANCIAL STATEMENTS
31 December 2023

NOTE 7 — INVESTMENT PROPERTY

Residential property for commercial letting:

	<u>2023</u>	<u>2022</u>
	£	£
Fair value at beginning of year	-	465,000
Disposal on 15 November 2022	-	(465,000)
	<u>£ -</u>	<u>£ -</u>
Capital gain on disposal		£
Gross proceeds of sale		515,000
Selling costs		(4,288)
Net proceeds of sale		510,712
Fair value at beginning of year		(465,000)
Gain on disposal		<u>£ 45,712</u>

NOTE 8 — DEBTORS

	<u>2023</u>	<u>2022</u>
	£	£
Gift Aid tax recoverable	26,211	9,529
Prepayments	4,569	2,655
	<u>£30,780</u>	<u>£12,184</u>

NOTE 9 — CREDITORS:

Amounts falling due within one year

	<u>2023</u>	<u>2022</u>
	£	£
Short term portion of:		
- Mortgage loan	31,305	29,340
- Hire purchase and capital lease commitments	-	1,855
- Defined benefit pension liability (see Note 29)	11	12
Suppliers' accounts payable	6,279	5,295
Taxation and social security	5,474	1,911
Other creditors	877	432
Accrued charges	9,075	6,194
	<u>£53,021</u>	<u>£45,039</u>

WAYPOINT
(a charitable incorporated organisation)
NOTES TO THE FINANCIAL STATEMENTS
31 December 2023

NOTE 10 – CREDITORS:

Amounts falling due after more than one year

	<u>2023</u> £	<u>2022</u> £
Long term portion of:		
- Mortgage loan	1,232,360	1,260,275
- Defined benefit pension liability	-	41,705
	<u>£1,232,360</u>	<u>£1,301,980</u>
These long term liabilities fall due:		
- between the second and fifth years inclusive	147,636	180,074
- after more than five years	1,084,724	1,121,906
	<u>£1,232,360</u>	<u>£1,301,980</u>

The assets pledged as security for the mortgage loan are described at the foot of Note 6.

NOTE 11 – MOVEMENTS ON FUNDS

	<u>Funds brought forward</u> £	<u>Incoming resources</u> £	<u>Resources expended</u> £	<u>Fund transfers</u> £	<u>Funds carried forward</u> £
Year ended 31 December 2023					
Unrestricted funds					
General fund	296,153	480,848	(382,220)	(24,349)	370,432
Designated funds:					
Functional premises	3,950,167		(56,118)	25,949	3,919,998
	<u>4,246,320</u>	<u>480,848</u>	<u>(438,338)</u>	<u>1,600</u>	<u>4,290,430</u>
Restricted income fund					
Waypoint Hub	36,844	181,107	(161,395)	(1,600)	54,956
	<u>£4,283,164</u>	<u>£661,955</u>	<u>£(599,733)</u>	<u>£ -</u>	<u>£4,345,386</u>
Year ended 31 December 2022					
Unrestricted funds					
General fund	282,615	459,912	(372,435)	(73,939)	296,153
Designated funds:					
Functional premises	3,452,650		(54,707)	552,224	3,950,167
Investment property	465,000			(465,000)	-
Parent and Toddler	350	435		(785)	-
	<u>4,200,615</u>	<u>460,347</u>	<u>(427,142)</u>	<u>12,500</u>	<u>4,246,320</u>
Restricted income fund					
Waypoint Hub	35,942	124,513	(111,111)	(12,500)	36,844
	<u>£4,236,557</u>	<u>£584,860</u>	<u>£(538,253)</u>	<u>£ -</u>	<u>£4,283,164</u>

WAYPOINT
(a charitable incorporated organisation)
NOTES TO THE FINANCIAL STATEMENTS
31 December 2023

NOTE 12 — DONATIONS AND LEGACIES

	2023			2022		
	<u>Unrest- ricted</u>	<u>Rest- ricted</u>	<u>Total</u>	<u>Unrest- ricted</u>	<u>Rest- ricted</u>	<u>Total</u>
	£	£	£	£	£	£
Monetary offerings and donations	338,316	53,867	392,183	295,244	43,317	338,561
Contributions received from beneficiaries		26,191	26,191		2,250	2,250
Gift Aid tax refundable	61,402		61,402	55,558		55,558
Estimated value of gifts in kind	2,500	27,457	29,957		10,035	10,035
	<u>£402,218</u>	<u>£107,515</u>	<u>£509,733</u>	<u>£350,802</u>	<u>£55,602</u>	<u>£406,404</u>

NOTE 13 — INCOME FROM CHARITABLE ACTIVITIES

	2023			2022		
	<u>Unrest- ricted</u>	<u>Rest- ricted</u>	<u>Total</u>	<u>Unrest- ricted</u>	<u>Rest- ricted</u>	<u>Total</u>
	£	£	£	£	£	£
Room hire	35,326		35,326	24,236		24,236
Service user contributions	297		297	1,231		1,231
Grants & donations received		73,592	73,592	500	68,880	69,380
Church life, outreach and mission	7,928		7,928			-
Children's and youth ministries	4,407		4,407	3,109		3,109
	<u>£47,958</u>	<u>£73,592</u>	<u>£121,550</u>	<u>£29,076</u>	<u>£68,880</u>	<u>£97,956</u>

NOTE 14 – OTHER TRADING INCOME

	2023			2022		
	<u>Unrest- ricted</u>	<u>Rest- ricted</u>	<u>Total</u>	<u>Unrest- ricted</u>	<u>Rest- ricted</u>	<u>Total</u>
	£	£	£	£	£	£
<u>Waypoint Café</u>						
Café sales	£27,896	£ -	£27,896	£26,689	£ -	£26,689

NOTE 15 — INCOME FROM INVESTMENTS

	2023			2022		
	<u>Unrest- ricted</u>	<u>Rest- ricted</u>	<u>Total</u>	<u>Unrest- ricted</u>	<u>Rest- ricted</u>	<u>Total</u>
	£	£	£	£	£	£
Investment property rental			-	7,613		7,613
Bank interest received	2,776		2,776	455	31	486
	<u>£2,776</u>	<u>£ -</u>	<u>£2,776</u>	<u>£8,068</u>	<u>£ 31</u>	<u>£8,099</u>

The investment property was sold in the year ended 31 December 2022 (see Note 7).

WAYPOINT
(a charitable incorporated organisation)
NOTES TO THE FINANCIAL STATEMENTS
31 December 2023

NOTE 16 — EXPENDITURE ON CHARITABLE ACTIVITIES

	2023			2022		
	<u>Unrest- ricted</u>	<u>Rest- ricted</u>	<u>Total</u>	<u>Unrest- ricted</u>	<u>Rest- ricted</u>	<u>Total</u>
	£	£	£	£	£	£
Payroll cost (Note 22)	120,984		120,904	110,699		110,699
Ministers' accommodation and expenses	3,874		3,874	2,674		2,674
Occupancy costs (Note 18)	73,900		73,900	60,839		60,839
Conferences, training and literature	4,981		4,981	6,887		6,887
Website and publicity costs			-	994		994
Office and general expenses (Note 19)	23,707	160	23,867	26,378	1,751	28,129
Provision of supplies for Waypoint Hub		160,656	160,656		108,862	108,862
Church life, outreach and mission	39,317		39,317	30,864		30,864
Children's and youth ministries	8,798		8,798	5,614		5,614
Depreciation and loss on disposal of fixed assets	82,369	579	82,948	82,944	498	83,442
	<u>£357,850</u>	<u>£161,395</u>	<u>£519,245</u>	<u>£327,893</u>	<u>£111,111</u>	<u>£439,004</u>

NOTE 17 – OTHER TRADING EXPENSES

	2023			2022		
	<u>Unrest- ricted</u>	<u>Rest- ricted</u>	<u>Total</u>	<u>Unrest- ricted</u>	<u>Rest- ricted</u>	<u>Total</u>
	£	£	£	£	£	£
Waypoint Café expenditure						
Purchases of café supplies	10,700		10,700	8,861		8,861
Repairs, maintenance and equipment expensed	937		937	1,019		1,019
Contribution to energy and payroll costs	3,600		3,600			-
Bank and card charges	381		381	348		348
Other	882		882	755		755
Depreciation of equipment	725		725	725		725
	<u>£17,225</u>	<u>£ -</u>	<u>£17,225</u>	<u>£11,708</u>	<u>£ -</u>	<u>£11,708</u>

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NOTE 18 – ANALYSIS OF OCCUPANCY COSTS

	2023			2022		
	Unrest- ricted	Rest- ricted	Total	Unrest- ricted	Rest- ricted	Total
	£	£	£	£	£	£
Light, heat and power	33,275		33,275	22,450		22,450
Water and sewerage	1,520		1,520	1,337		1,337
Buildings insurance	6,358		6,358	7,056		7,056
Building repairs and maint.	16,987		16,987	11,930		11,930
Cleaning & consumable stores	15,760		15,760	18,066		18,066
	<u>£73,900</u>	<u>£ -</u>	<u>£73,900</u>	<u>£60,839</u>	<u>£ -</u>	<u>£60,839</u>

NOTE 19 – ANALYSIS OF OFFICE AND GENERAL EXPENSES

	2023			2022		
	Unrest- ricted	Rest- ricted	Total	Unrest- ricted	Rest- ricted	Total
	£	£	£	£	£	£
Printing, photocopying, stationery and postage	2,394		2,394	1,403	345	1,748
Telephone and internet	923		923	685		685
General insurance	1,300		1,300	1,350		1,350
Equipment testing, repairs and servicing	5,161		5,161	6,146		6,146
Equipment expensed	6,163		6,163	6,845	1,041	7,886
Waste removal	2,003		2,003	756		756
Subscriptions and licences	3,300		3,300	3,313	251	3,564
Finance and management software	1,644		1,644	1,218		1,218
Church secretary costs			-	3,468		3,468
Bank charges	185		185	279	114	393
Miscellaneous	634	160	794	915		915
	<u>£23,707</u>	<u>£160</u>	<u>£23,867</u>	<u>£26,378</u>	<u>£1,751</u>	<u>£28,129</u>

NOTE 20 – OTHER EXPENDITURE

	2023			2022		
	Unrest- ricted	Rest- ricted	Total	Unrest- ricted	Rest- ricted	Total
	£	£	£	£	£	£
Property rental expenses			-	2,798		2,728
Accountancy fees	2,878		2,878	2,400		2,400
Audit fees	2,600		2,600	2,400		2,400
VAT consultancy & legal fees	1,188		1,188	2,280		2,280
Finance costs (see Note 21)	98,290		98,290	77,663		77,663
	<u>£104,956</u>	<u>£ -</u>	<u>£104,956</u>	<u>£87,541</u>	<u>£ -</u>	<u>£87,541</u>

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NOTE 21 – FINANCE COSTS

	<u>2023</u>			<u>2022</u>		
	<u>Unrest- ricted</u>	<u>Rest- ricted</u>	<u>Total</u>	<u>Unrest- ricted</u>	<u>Rest- ricted</u>	<u>Total</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Mortgage interest	98,025		98,025	77,360		77,360
Hire purchase and capital lease interest	265		265	303		303
	<u>£98,290</u>	<u>£ -</u>	<u>£98,290</u>	<u>£77,663</u>	<u>£ -</u>	<u>£77,663</u>

NOTE 22 - PAYROLL AND STAFFING

Staff cost is analysed below according to staff members' main duties set out in their contracts of employment.

Year ended 31 December 2023

	<u>No. of staff</u>	<u>Gross wages & salaries</u>	<u>Employers' national insurance</u>	<u>Pension contri- butions</u>	<u>Total</u>
		<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Ministers	2	47,300	4,625	1,750	53,675
Other staff	7	68,384	2,125	1,720	72,229
	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
	9	£115,684	£6,750	£3,470	125,904
	<u>=</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Less: Employer's NIC allowance					(5,000)
					<u>£120,904</u>

Year ended 31 December 2022

	<u>No. of staff</u>	<u>Gross wages & salaries</u>	<u>Employers' national insurance</u>	<u>Pension contri- butions</u>	<u>Total</u>
		<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Minister	1	33,103	3,496	1,484	38,083
Other staff	6	72,405	3,702	1,509	77,616
	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
	7	£105,508	£7,198	£2,993	115,699
	<u>=</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Less: Employer's NIC allowance					(5,000)
					<u>£110,699</u>

The average number of full-time equivalent staff is 4.3 (2022: 3.6). No employee received emoluments (excluding employer pension costs) exceeding £60,000 p.a.

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NOTE 23 – TRANSFER BETWEEN FUNDS

The following transfers were made from Waypoint Hub to the General Fund to partially recoup the salary and occupancy costs related to the Hub's activities that were borne by the Church in the years ended 31 December 2023 and 2022.

	<u>2023</u> £	<u>2022</u> £
Salary of Hub leader	1,600	10,000
Occupancy of North building	-	2,500
	<u>£1,600</u>	<u>£12,500</u>

NOTE 24 – ANALYSIS OF NET ASSETS BETWEEN FUNDS

31 December 2023

	<u>Fixed assets</u> £	<u>Net curr- ent assets</u> £	<u>Other liabilities</u> £	<u>Net assets</u> £
Unrestricted funds				
General fund	115,286	255,146		370,432
Designated fund:				
Functional freehold properties	5,183,663	(31,305)	(1,232,360)	3,919,998
	<u>5,298,949</u>	<u>223,841</u>	<u>(1,232,360)</u>	<u>4,290,430</u>
Restricted income fund				
Waypoint Hub	2,607	52,349		54,956
	<u>2,607</u>	<u>52,349</u>		<u>54,956</u>
FUNDS AT 31 DECEMBER 2023	<u>£5,301,556</u>	<u>£276,190</u>	<u>£(1,232,360)</u>	<u>£4,345,386</u>

31 December 2022

	<u>Fixed assets</u> £	<u>Net curr- ent assets</u> £	<u>Other liabilities</u> £	<u>Net assets</u> £
Unrestricted funds				
General fund	140,877	196,981	(41,705)	296,153
Designated fund:				
Functional freehold properties	5,239,782	(29,340)	(1,260,275)	3,950,167
	<u>5,380,659</u>	<u>167,641</u>	<u>(1,301,980)</u>	<u>4,246,320</u>
Restricted income fund				
Waypoint Hub	1,883	34,961		36,844
	<u>1,883</u>	<u>34,961</u>		<u>36,844</u>
FUNDS AT 31 DECEMBER 2022	<u>£5,382,542</u>	<u>£202,602</u>	<u>£(1,301,980)</u>	<u>£4,283,164</u>

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NOTE 25 – RELATED PARTY TRANSACTIONS

Certain individuals connected with Church trustees received reward for services or reimbursement of expenses from the Church during the year as follows:

<u>Name of related party</u>	<u>Nature of relationship</u>	<u>Nature of provision</u>	<u>2023</u> £	<u>2022</u> £
Mr C Snook*	Church trustee until November 2022	Mission support	-	500
Mrs R Keen**	Church trustee	Operational management	-	3,468
		Goods for Waypoint Hub	-	125
Mr A Banes***	Church trustee	Ministry Support	-	500

* Paid to Reality Outreach Ministries International of which Mr Snook is Drama Director.

** Paid to Printed Edge, Mrs Keen's sole trade.

*** Paid to Time For Marriage Ministries, a charitable company of which Mr Banes is a Trustee.

In addition, in 2022 a total of £3,574, net of participants' contributions, was defrayed for a leaders' retreat and training days.

NOTE 26 – TRUSTEES' REMUNERATION, BENEFITS AND EXPENSES

As permitted by the Church's governing document, certain trustees and persons connected with them received remuneration, benefits and reimbursement of expenses for employment services rendered in the year as follows:

Year ended 31 December 2023

	<u>Service rendered</u>	<u>Total</u> £	<u>Gross salary</u> £	<u>Accommodation</u> £	<u>Pension</u> £	<u>Payments/expenses</u> £
J Privett	Pastor	40,445	35,300	3,070	1,452	623
A Roseblade	Pastor	13,010	12,000		298	712
C Johnson	Waypoint Hub leader	19,651	18,369		1,282	
P Griffiths*	Administrator	11,325	11,134		191	
H Palmer*	Administrator	5,850	5,720		130	
		<u>£90,281</u>	<u>£82,523</u>	<u>£3,070</u>	<u>£3,353</u>	<u>£1,335</u>

Year ended 31 December 2022

	<u>Service rendered</u>	<u>Total</u> £	<u>Gross salary</u> £	<u>Accommodation</u> £	<u>Pension</u> £	<u>Payments/expenses</u> £
J Privett	Pastor	37,229	33,103	2,476	1,452	198
C Johnson	Waypoint Hub leader	32,168	30,684		1,484	
P Griffiths*	Administrator	11,188	10,801		387	
		<u>£80,585</u>	<u>£74,588</u>	<u>£2,476</u>	<u>£3,323</u>	<u>£198</u>

* Spouse of trustee

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NOTE 27 – REMUNERATION OF KEY MANAGEMENT PERSONNEL

The Trustees listed in Note 26 above excluding spouses of trustees comprise all the key management personnel. The total employee benefits received by them including employer's national insurance amounted to £77,645 (2022: £76,397).

NOTE 28 – TRUSTEE DONATIONS

The total donations received from Trustees including persons connected with them amounted to £31,170 (2022: £40,455). None of these donations attached conditions that would or might require the Church to significantly change the nature of its existing activities.

NOTE 29 – PENSION OBLIGATIONS

Until 31 July 2021, the Church was an employer participating in the Defined Benefits (DB) section of The Baptist Pension Scheme (the Scheme) which is administered by its pension trustee, Baptist Pension Trust Limited. The Scheme is a separate legal entity and its assets are held separately from those of the Church and the other participating employers

Since it is not possible to attribute the Scheme's assets and liabilities to specific employers, it is treated as a multi-employer scheme as described in FRS 102 section 28.11A. As a consequence, the contributions are accounted for as if the Scheme were a Defined Contribution (DC) scheme where the contributions payable for benefits and expenses accruing in a year are charged to that year's SOFA together with the impact of "deficit recovery contributions" (see below).

In the previous reporting period the employment of the Church's sole active participant in the DB section of the Scheme was severed effective 31 July 2021 and, in accordance with the Scheme rules, a 'cessation event' was triggered. As a consequence, the rules required that an annuity be purchased that meets the Church's employer debt and the whole cost thereof including professional fees related thereto as notified by the Scheme trustee was provided for at 31 December 2022.

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NOTE 29 – PENSION OBLIGATIONS (continued)

A current update by the Scheme confirms that an agreement has been signed with a UK insurance company (the Provider) that specialises in ‘buying out’ pension scheme liabilities and the other associated risks. Recent information indicates that this Buy Out will be completed by the end of 2024 and, at that time, as regards Waypoint, all liability relating to the Scheme will end. On the basis of this information received from the Scheme’s trustee board, the Church trustees are satisfied that no further significant financial risk concerning the DB Scheme exists at the date of this report and, consequently the provision has been released to the SOFA at 31 December 2023.

The pension contributions borne by the Church in the year are:

	<u>2023</u>	<u>2022</u>
	£	£
DCs paid and payable in respect of employees in the year	3,470	2,993
DB deficit recovery contributions paid in the year	12	4,783
	<u>£3,482</u>	<u>£7,776</u>

The movements in the DB liability for the current and previous financial years are:

	<u>2023</u>	<u>2022</u>
	£	£
Balance at 1 January,	41,717	46,500
Deficiency contributions paid in the year	(12)	(4,783)
Provision for deficiency contributions payable in 2024	(11)	
Release of provision for defined benefit pension deficit no longer required	(41,694)	-
Liability for pension deficit at 31 December,	<u>£ -</u>	<u>£41,717</u>

NOTE 30 – GOING CONCERN

The Church constructed a building on land adjacent to the existing Church premises and arranged a commercial loan facility as part of the funding arrangements. In addition to the capital repayments, in 2022 the mortgage loan was further reduced by the net proceeds of sale of the Church’s investment property (see Note 7). An outstanding balance remains at 31 December 2023 of £1,263,665 (2022: £1,289,615).

The trustees consider the existing level of repayments to be affordable out of recurring income since planned giving of the Church congregation increased significantly in 2023 and into 2024.

At present the Church’s existing liquid resources supplemented by recurring tithes, offerings and other income in 2024 will be sufficient to meet Church outgoings for a period of at least twelve months from the date of issue of these financial statements.

Taking all known factors into account, the Trustees are satisfied that the Church will be a going concern for the foreseeable future.

