

REGISTERED CHARITY NUMBER: 1173298
CIO REGISTERED NUMBER: CE010981

LETCHWORTH BAPTIST CHURCH CIO
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR TO 31 DECEMBER 2020

LETCHWORTH BAPTIST CHURCH CIO
REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020

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LETCHWORTH BAPTIST CHURCH

1st January 2020 to 31st December 2020

Name:	Letchworth Baptist Church
Charity Registration Number:	Registered Charity Number 1173298
Principal Address:	Letchworth Baptist Church Broadwater Avenue Letchworth Garden City Herts SG6 3HJ
Trustees during the period: (Church Officers and Elders)	Derek Moore-Crispin (Senior Pastor) David Chan (Pastor) Mike Waddell (Secretary & Treasurer) Michael Cornell Steve Whittall Chris Rees (resigned 22 October 2020)
Bankers:	HSBC Bank Station Place Letchworth Garden City Hertfordshire SG6 3AJ
Independent Examiner:	Parlow Associates Ltd PO Box 103 Gamlingay Sandy Bedfordshire SG19 3ZQ

LETCHWORTH BAPTIST CHURCH

TRUSTEES' ANNUAL REPORT

1st January 2020 to 31st December 2020

The Trustees present their annual report and the financial statements for the year ended 31 December 2020. The accounts comply with the requirements of the SORP 2005.

1 Structure, Governance and Management

Governing documents

The governing documents are:

- Letchworth Baptist Church Constitution, March 2017
- Letchworth Baptist Church Rules, March 2017.

Constitution

Letchworth Baptist Church was registered by the Charity Commission on 6th June 2017 as a Charitable Incorporated Organisation superseding the previous Letchworth Baptist Church charitable trust.

Recruitment and appointment of trustees

Trustees are appointed and recruited in accordance with the governing documents.

Governance and Management

The Trustees have overall responsibility for ensuring that the church fulfils its charitable objectives in a manner that is compliant with the provision of the Constitution and Church Rules, especially the Basis of Faith

In accordance with the powers set out in the constitution a Standing Order has been established by which the Trustees delegate the day-to-day management affairs of the Church to the body of Elders. They are supported by deacons who are appointed by the elders and have been assigned specific responsibilities for administrative, ministry or operational functions.

The Pastors and Elders, all of whom are also Trustees, normally meet each month to discuss the church business, monitor church finances and direct the affairs of the church. They normally also meet once each month for prayer.

Church member's business meetings were maintained very effectively using Zoom.

2 Objectives and Activities

Charitable Purposes

The purposes of the Church are:

1. The advancement of the Christian faith in accordance with the basis of faith primarily but not exclusively within Letchworth Garden City, Hertfordshire and the surrounding neighbourhood; and
2. Such other charitable purposes as shall, in the opinion of the members of the church in general meeting, put into practice the Christian faith in accordance with the Basis of Faith, including but not limited to: the prevention and relief of need, hardship and sickness and the advancement of education.

Provided that the advancement of such purposes are undertaken in a manner that is consistent with the doctrinal distinctives and ethical statements as may be adopted and amended by the church from time to time in accordance with the provisions of the Church Rules.

Summary of activities

The Church seeks to fulfil public benefit regarding the advancement of the Christian faith in the following ways.

- Promoting and developing spiritual awareness
- Encouraging spiritual and emotional growth
- Encouraging fellowship
- Providing Bible teaching consistent with the Basis of Faith
- Providing opportunities for public worship and prayer
- Supporting Christian missionary and community work consistent with the Church's objectives and ethos both in the UK and overseas.
- Supporting the local community in a manner consistent with the charitable purposes of the church.

These are generally achieved through a combination of Sunday services, midweek meetings and other activities for adults and children throughout the year. However, after March 2020 the church's ability to maintain its activities was greatly affected by the restrictions enforced by the national response to Covid-19. Sunday services and various meetings were able to move on-line courtesy of Zoom.

The nature of the church building does not easily lend itself to use when taking into account social distancing and other Covid-19 restrictions. However, it is used weekly as a studio for the on-line Sunday service.

Communion services are held regularly and participation is open to all who profess faith in the Lord Jesus Christ. As a general principle meetings are open to the public, this has been maintained despite the move on-line with a number of 'visitors' joining the services both regularly and from time to time.

In general, activities are advertised on the church web site, noticeboard and by word of mouth. Seasonal and other special events may be promoted by leaflet distribution.

The church supports both an English speaking and a Cantonese speaking Chinese congregation, including pastoral care.

Both spiritual and material support has also been provided by Church members for missionary and community work in the UK and overseas.

As a general principle the church is funded by donation not charges, and no one is excluded from membership or participation in the general activities of the church on financial grounds.

All of the activities described have been conducted in accordance with the Charitable Objects and Basis of Faith set out in the governing documents.

3 Achievements and performance

The church was able to maintain the following ministries in order to provide Public Benefit in the following ways:

- Weekly on-line Sunday preaching, teaching and worship meetings, including communion using Zoom. These are joint English and Chinese services splitting part way through for language specific teaching.
- Periodic and regular Zoom-based prayer, Bible-study and fellowship meetings aimed at engaging church members and adherents in developing the life and direction of the church.
- It was not possible to maintain the pre-school toddler group, Noah's Ark, after Covid-19 restrictions were introduced.
- The Thumbs-up children's club could no longer run but contact was maintained with children and families through the regular provision of activity-boxes which were greatly appreciated.
- Contact was maintained with the Origin-8 young people's group via social media and giving Bibles as a Christmas gift.
- The weekly afternoon "Friendship Group" for older folk was maintained using Zoom.
- Pastoral care was provided on-line, via phone and, when permitted, in-person. This also included Christmas hampers to some needy families and a number of people who lived alone and were isolated because of the Covid-19 restrictions.
- The church website is used to advertise the church services and activities to the general public and also provide access to Bible teaching by hosting audio and video recordings of Sunday service sermons and other teaching sessions.

- The Missionary Fund enables church members and adherents to support specific individuals engaged in Christian work in the UK and overseas providing a similar public benefit to that of the Letchworth Baptist Church in our community.

Project Oak

Under the Covid-19 restrictions it was not feasible to operate Project Oak, which has run for a number of years. The church's Pastoral Worker for Children and Families, worked in schools in the Letchworth Garden City community with children with behavioural and emotional issues and Special Educational Needs. It focused on both character and social development and is an expression of Christian concern for others.

After many years of faithful and diligent service the pastoral worker decided to stand down from the end of December. Therefore Project Oak has been discontinued for the foreseeable future.

The Role of Volunteers

In 2020 the church had three workers who received payment from the church; the two pastors and the Pastoral Worker for Children and Families with regard to "Oak". Their work was supported by around 40 volunteers from the church family.

4 Financial Review

The Impact of Covid-19

The immediate financial impact of Covid-19 restrictions closing church services was to reduce income because Sunday offerings were no longer possible. However, the majority of these gifts have switched to Gift-Aided Standing Order donations direct to the church bank account. Although regular income was marginally reduced, the reduction in expenditure meant that church finances were overall in a good position. This allowed provision to be made for some essential maintenance work.

The weekly use of the church as a studio for the on-line Sunday service satisfies the insurance company's requirements for the building to be deemed occupied, so that the normal cover and terms continued to apply.

General

As an overview, the charity received £82,726 income during the year and had outgoings totalling £76,618 giving an increase in funds of £6,108. The funds carried forward are £1,436,330 and include restricted fund balances of £11,825. The general income of the church is made up principally from gifts and from "Gift Aid" given by church members and adherents either through the Sunday morning offering or by standing order into the bank.

The pastors are Office Holder Trustees, as set out in the constitution and are materially supported in order to fulfil their roles. The church undertakes to provide financial support to both and provides essential accommodation to the senior pastor.

The church also supports a number of missionaries. The funding for this is dealt with separately from the general church accounts. A target for missionary support is set in the last Church Meeting of each year. Any money collected in this fund is paid out to those missionaries which the Church Meeting has agreed to support. The Children's and Families' Pastoral Worker was part funded from this source.

Additionally a 'Chinese Ministry Fund' is operated to support work amongst ethnic Chinese and associated communities in the United Kingdom and overseas.

Reserves policy

The major areas of requirement for reserves are in the provision of pay, utility and contractual costs, the replacement of key capital equipment and significant maintenance works on the Trust properties. Given that income is donation based and is limited, there is limited scope for building up reserves. Consequently, the Trustees have sought to address this by budgeting and regularly reviewing the cash flow in order to have advance warning of any potential shortfalls. Church members are made aware of potential shortfalls and the needs of specific projects so that they can help address them. A modest cash reserve has been maintained to facilitate cash flow and protect restricted funds.

5 Risk review

As a small Charity, Letchworth Baptist Church is not subject to the compulsory requirement for risk reviews. However, the Trustees maintain awareness of areas of concern.

The Trustees are conscious that the work of the church is dependent upon the financial support of members and congregation, giving by collection and donation. Without this support the work would be unable to continue. Also maintaining teaching in line with Basis of Faith is important from a spiritual and theological perspective and hence in achieving the church's charitable purpose.

Risk assessments for the property and community support activities are carried out and, where appropriate, action has been taken to monitor and mitigate identified risks. This included Covid-safe risk assessments for the building and the procurement of appropriate cleaning tools, materials and PPE.

A safeguarding policy based on the Thirtyone:Eight (was Churches Child Protection Advisory Service) guidelines has been maintained and operated.

GDPR compliant privacy procedures have been established and are maintained.

6 Responsibilities of the trustees

Charity law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of its income and application of resources including income and expenditure for that period. In preparing these financial statements, the trustees are required to

1. select suitable accounting policies and then apply them consistently; make judgements and estimates that are reasonable and prudent;

2. state whether applicable accounting standards and statement of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements; and
3. prepare the financial statements on the going concern basis unless it is inappropriate to assume that the charity will continue in operational existence.

The Church is responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the charity. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

ON BEHALF OF THE TRUSTEES:

Mike Waddell
Secretary
10 May 2021

Independent examiner's report to the trustees of Letchworth Baptist Church Charitable Incorporated Organisation ('the CIO')

I report to the charity trustees on my examination of the accounts of the CIO for the year ended 31 December 2020 as set out on pages 9 to 14.

Responsibilities and basis of report

As the charity trustees of the CIO you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act'). I report in respect of my examination of the CIO's accounts carried out under section 145 of the Act. In carrying out my examination I have followed all 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 as required by section 130 of the Act; or (2) the accounts do not accord with those records.

I confirm that there are no matters to which your attention should be drawn to enable a proper understanding of the accounts to be reached.

Signed:

Ian G Parker FCA
Chartered Accountant
Parlow Associates Ltd.
PO Box 103
Gamlingay
Sandy SG19 3ZQ

10 May 2021

LETCHWORTH BAPTIST CHURCH CIO

STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED 31 DECEMBER 2020

	Notes	Unrestricted Funds £	Restricted Funds £	Total Funds Year to 31 December 2020 £	Total Funds Year to 31 December 2019 £
Income from:					
Donations and legacies		60,020	22,237	82,257	84,485
Bank interest		6	3	9	12
Other income		460	-	460	700
Total income		60,486	22,240	82,726	85,197
Expenditure on:					
Church running		5,852	138	5,990	11,896
Church upkeep		3,672	-	3,672	6,389
Manse upkeep		8,282	-	8,282	7,398
Pastors & staff salaries and expenses	3	39,706	7,213	46,919	49,970
Gifts and donations		-	11,275	11,275	11,429
Independent examiners fee		480	-	480	480
Total expenditure		57,992	18,626	76,618	87,562
NET INCOME BEFORE GAINS		2,494	3,614	6,108	(2,365)
Transfers between funds		-	-	-	-
Gain on revaluation of investments & fixed assets		68,526	-	68,526	70,478
NET MOVEMENT IN FUNDS		71,020	3,614	74,634	68,113
Total funds at 1 January 2020	7	1,353,485	8,211	1,361,696	1,293,583
Total funds at 31 December 2020		1,424,505	11,825	1,436,330	1,361,696

The notes on pages 11 to 14 form part of these financial statements.

LETCHWORTH BAPTIST CHURCH CIO

BALANCE SHEET
AS AT 31 DECEMBER 2020

	Notes	<u>31 December 2020</u>		<u>31 December 2019</u>	
		£	£	£	£
FIXED ASSETS					
Tangible assets	4	88,384		83,813	
Investments	5	<u>1,327,488</u>		<u>1,263,533</u>	
			1,415,872		1,347,346
CURRENT ASSETS					
Cash at bank and in hand		<u>22,253</u>		<u>15,645</u>	
		22,253		15,645	
CURRENT LIABILITIES					
Creditors and accruals	6	<u>1,795</u>		<u>1,295</u>	
NET CURRENT ASSETS			<u>20,458</u>		<u>14,350</u>
			<u>1,436,330</u>		<u>1,361,696</u>
TOTAL FUNDS:					
Unrestricted Funds	7		1,424,505		1,353,485
Restricted Funds	7 / 9		<u>11,825</u>		<u>8,211</u>
			<u>1,436,330</u>		<u>1,361,696</u>

The notes on pages 11 to 14 form part of these financial statements.

ON BEHALF OF THE TRUSTEES:

Mike Waddell
Secretary
10 May 2021

LETCHWORTH BAPTIST CHURCH CIO

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020

1. ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements have been prepared under the historical cost convention, with the exception that fixed assets and investments are stated at insurance value. The financial statements have been prepared in accordance with Financial Reporting Standard (FRS) 102 and other applicable accounting standards and on a going concern basis.

(b) Fund accounting

Unrestricted funds are available for use at the discretion of the Trustees in the furtherance of the general objectives of the charity.

Restricted funds are subject to restrictions on their expenditure imposed by the donor or through the terms of an appeal.

(c) Incoming resources

All incoming resources are included in the Statement of Financial Activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

- Voluntary income is received by way of grants, donations and gifts and is included in full in the Statement of Financial Activities when receivable.
- Grants are recognised in full in the statement of Financial Activities in the year in which they are receivable.
- Investment income is included when receivable.

(d) Resources expended

All expenditure is recognised in the period in which incurred and, accounted for on an accruals basis. This has then been classified under headings that aggregate all costs related to the category. Resources expended include attributable VAT that cannot be recovered, and is reported as part of the expenditure to which it relates.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

(e) Tangible fixed assets

Tangible fixed assets are accounted for at market value. A revaluation is carried out each year and the net gains and losses arising are shown within the Statement of Financial Activities. Therefore, no depreciation is provided.

(f) Investments

Investments relate to the church and manse buildings which are stated at insurance re-building value at the balance sheet date. The Statement of Financial Activities includes the net gains and losses arising on revaluations and disposals throughout the year.

(g) Cash Flow Statement

The financial statements do not include a Cash Flow Statement because the charity, as defined by FRS102, is exempt from the requirement to prepare such a statement.

LETCHWORTH BAPTIST CHURCH CIO

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020

2. STATUS

The CIO is registered in England with Companies House number CE010981 and with the Charity Commission number 1173298.

3. STAFF COSTS AND NUMBERS

There was one part-time employee and two trustees paid as office-holders.

The employment costs were: £
7,031

The costs paid to the two trustees as office holders were: 34,656

One of these trustees, Derek-Moore Crispin, receives a stipendary package which includes occupation of a property plus utility and car costs which are reported as benefits-in-kind.

4. TANGIBLE FIXED ASSETS

	Fixtures and Fittings	Equipment	Total
	£	£	£
Brought forward at 1 January 2020	37,920	45,893	83,813
Additions in the period	-	-	-
Revaluation	2,276	2,295	4,571
Market value at 31 December 2020	<u>40,196</u>	<u>48,188</u>	<u>88,384</u>

Fixed assets are restated to their insurance value (market value) annually.

5. INVESTMENTS

Brought forward at 1 January 2020	1,263,533
Revaluation	<u>63,955</u>
Market value at 31 December 2020	<u>1,327,488</u>

The investments all relate to the properties.

Investments are restated to their insurance value (market value) annually.

LETCHEWORTH BAPTIST CHURCH CIO

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020

6. CREDITORS AND ACCRUALS

	2020	2019
	£	£
Accrued expenses	1,156	676
PAYE & pension due	639	619
	<u>1,795</u>	<u>1,295</u>

7. MOVEMENT IN FUNDS

RESTRICTED FUNDS

	Funds brought forward	Incoming resources	Outgoing resources	Transfers	Revaluation gain	Funds carried forward
	£	£	£	£	£	£
Oak	462	1,960	-	(1,920)	-	502
Missionary Account	4,181	15,132	(10,315)	(5,157)	-	3,841
Judy Rees	402	-	(7,030)	7,077	-	449
Noahs Ark	356	54	-	-	-	410
Boards	53	-	-	-	-	53
Ladies Breakfast	37	32	(37)	-	-	32
Chinese Ministry Funds	2,720	1,909	(331)	-	-	4,298
Thumbs Up Club	-	60	(60)	-	-	-
Harvest	-	719	(719)	-	-	-
Refurbishment	-	1,500	-	-	-	1,500
Christmas Day	-	874	(134)	-	-	740
	<u>8,211</u>	<u>22,240</u>	<u>(18,626)</u>	<u>-</u>	<u>-</u>	<u>11,825</u>

UNRESTRICTED FUNDS

General Fund	<u>1,353,485</u>	<u>60,486</u>	<u>(57,992)</u>	<u>-</u>	<u>68,526</u>	<u>1,424,505</u>
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A description of each of the restricted funds is given in Note 10.

8. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds	Restricted Funds	Total Funds
	£	£	£
Tangible fixed assets & investments	1,415,872	-	1,415,872
Current assets	10,428	11,825	22,253
Current liabilities	(1,795)	-	(1,795)
	<u>1,424,505</u>	<u>11,825</u>	<u>1,436,330</u>

LETCHWORTH BAPTIST CHURCH CIO
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020

9. PURPOSES OF RESTRICTED FUNDS

Oak fund and Judy Rees Fund

Gifts have been made to the church for Judy, and for the work in schools supporting children with special needs and their families. Judy is partially paid from the Missionary Fund and the balance from Oak.

Missionary Fund

A missionary target is agreed at the church meeting in November for the following financial year. The funds so raised are kept in a separate account to the main church account and all the proceeds are distributed to the missionaries sent out by the church. The distribution of the funds is agreed from time to time at a church meeting. Some of the funds are designated to a particular missionary/organisation and these are paid in accordance with the donors wishes.

Noah's Ark

This is the parent & toddler group that is run by the Church; the attendees give donations which are then used to provide refreshments and re-new play equipment.

Boards

This is a fund to purchase new notice boards for outside the church.

Ladies Breakfast

The ladies attending the breakfast meetings make a donation which is used to cover food and gifts.

Chinese Ministry Funds

This is used to collect solicited and unsolicited gifts as well as donations from certain meetings under the headings Ministry in China, Ministry to Chinese elsewhere in the world, support of Pastor Chan's Ministry and Central. Gifts and dispersals are then made from the donations.

Harvest

This is to receive financial gifts for Millgrove Childrens' Home instead of usual food gifts as a Harvest Service was not permitted.

Refurbishment Fund

A gift received to refit one of the toilets. The work has not yet been carried out because of the pandemic.

Christmas Day Fund

Gifts received for the Letchworth Foodbank.

10. RELATED PARTY TRANSACTIONS

During the year various small payments were made to pastors to reimburse them for expenses incurred for travel, postage and stationery. Both of the trustees were paid travel expenses by the Church. Other expenses paid to the trustees were to cover the costs of various charitable activities, and were not personal expenses.

Judy Rees (daughter of Derek Moore-Crispin and married to Chris Rees, both trustees) is an employee of the CIO and she received remuneration of £7,030 during the year (2019: £6,963).