

REGISTERED CHARITY NUMBER : 1173298
CIO REGISTERED NUMBER : CE010981

**LETCHWORTH BAPTIST CHURCH
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR TO 31 DECEMBER 2021**

LETCHWORTH BAPTIST CHURCH CIO
REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2021

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LETCHWORTH BAPTIST CHURCH

1st January 2021 to 31st December 2021

Name:	Letchworth Baptist Church
Charity Registration Number:	Registered Charity Number 1173298
Principal Address:	Letchworth Baptist Church West View Letchworth Garden City Herts SG6 3QJ
Trustees during the period: (Church Officers and Elders)	Derek Moore-Crispin (Senior Pastor) David Chan (Pastor) Mike Waddell (Secretary & Treasurer) Michael Cornell Steve Whittall Clive Johnson (appointed 29/06/21)
Bankers:	HSBC Bank 1 Market Place Hitchin Hertfordshire SG5 1DR
Independent Examiner:	MTM Chartered Accountants 26 Bridge Road East Welwyn Garden City Herts AL7 1HL

LETCHWORTH BAPTIST CHURCH

TRUSTEES' ANNUAL REPORT

1st January 2021 to 31st December 2021

The Trustees present their annual report and the financial statements for the year ended 31 December 2021. The accounts comply with the requirements of the SORP 2019.

1 Structure, Governance and Management

Governing documents

The governing documents are:

- Letchworth Baptist Church Constitution, November 2021
- 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 procedures set out in 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 members' business meetings were maintained very effectively using Zoom during the Covid lockdown. The Constitution was then updated to include provision for the

continued use of electronic church members' meetings, allowing video meeting services, such as Zoom, to be used when required.

MTM Chartered Accountants were appointed as the Independent Examiner after the previous Independent Examiner stopped providing this service.

Due to HSBC's branch closure programme our banking services transferred to the Hitchin branch in September. HSBC also rebranded our bank accounts and established bank charges on current accounts. Consequently, two underused current accounts, Oak and the Number Two account, were closed.

Because of its location at the junction of West View and Broadwater Avenue, the church building has two frontages. This resulted in confusion over its actual postal address as it appeared differently in different databases. This was finally resolved and the address determined to be in West View. Consequently, the address and postcode have been corrected.

As the church emerged from lockdown the Trustees developed a Covid risk assessment and safety plan. We are a small church and maintaining Covid safety for core activities is challenging. Therefore, to lighten the load, as use of the church building resumed, the Trustees adopted a policy of not letting space to non-church organisations.

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.

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. During lockdown the church's ability to maintain its activities was greatly reduced. Sunday services and various meetings were conducted using Zoom. After lockdown some refurbishment of the church took place and in-person services and activities resumed in the building from the beginning of September. A new, café-style Sunday morning service format was introduced in order to be more visitor friendly and accessible. The Chinese congregation resumed meeting on Sunday afternoons for a Cantonese speaking service.

As a general, principal meetings are open to the public and visitors are warmly welcomed. Communion services are held regularly and participation is open to all who profess faith in the Lord Jesus Christ.

Activities are advertised on the church web site, via a church WhatsApp group, the noticeboard and by word of mouth. Seasonal and other special events may also be promoted by leaflet distribution.

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 Sunday preaching, teaching and worship meetings, including communion using Zoom during lockdown and in-person services in the church building after lockdown. The Zoom services were joint English and Chinese. Joint meetings continue, as before lockdown, with monthly Lighthouse Breakfast services in the church building.
- Periodic and regular Zoom-based and in-person prayer, Bible-study and fellowship meetings aimed at engaging church members, adherents and enquirers in developing their spiritual life and supporting the direction of the church.
- It was not possible to maintain the pre-school toddler group, Noah's Ark, after Covid-19 restrictions were introduced. Once the church resumed in-person meetings, planning for an early 2022 reopening was begun.
- Until church activities returned to the building, contact was maintained with children

and families through the regular provision of activity-boxes, which continued to be greatly appreciated.

- The weekly afternoon "Friendship Group" for older folk was maintained using Zoom during lockdown. In-person/hybrid (combined in-person and on-line) meetings were resumed after lockdown.
- Pastoral care has been provided by various church members on-line, via phone and, where permitted, in-person. This has included welcoming a number of Chinese families who, due to the change in circumstances, had chosen to leave Hong Kong for Great Britain.
- The church web-site has been 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 sermons and other teaching sessions.
- The Missionary Fund enabled 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.

The Role of Volunteers

Post lockdown saw a number of church members and adherents volunteering to lead and contribute to various activities as they restarted.

4 Financial Review

The Impact of Covid-19

The church, so far, has only been lightly touched by Covid, for which we thank God.

The immediate financial impact of Covid-19 restrictions was to reduce income because Sunday offerings were no longer possible. However, the majority of giving via collection switched to Gift-Aided Standing Order donations. Although regular income was marginally reduced, the reduction in expenditure meant that church finances overall remain in a good position. This, along with specific gifts, allowed provision to be made for some maintenance and refurbishment work, which was carried out in 2022.

General

As an overview, the charity received £81,911 income during the period and had outgoings totalling £78,560 giving an increase in funds of £3,351. In addition, the gains on revaluation of fixed assets was £376,379. The funds carried forward are £1,816,060 and include restricted fund balances of £16,041. 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 two 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 part-time Children's and Families' Pastoral Worker stood down at the end of December 2020. They were part funded from the Missionary Fund. The last 'pay day' was in January 2021.

Additionally, a 'Chinese Ministry Fund' exists to support the work of the Chinese congregation and pastor in the church and 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. 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.

Formal and informal risk assessments for the property and activities are carried out and, where appropriate, action has been taken to monitor and mitigate identified risks. This includes safeguarding and Covid-safe risk assessments and procedures 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

Date:.....

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

I report to the charity trustees on my examination of the accounts of the charity for the year ended 31 December 2021 which are set out on pages 9 to 15.

Responsibilities and basis of report

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

Independent examiner's statement

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

1. accounting records were not kept in respect of the charity as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination.

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

Signed:

Mark Moberly FCA
Chartered Accountant
MTM, Chartered Accountants
26 Bridge Road East
Welwyn Garden City
Hertfordshire
AL7 1HL

Date:

LETCHWORTH BAPTIST CHURCH CIO

STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED 31 DECEMBER 2021

	Notes	Unrestricted Funds £	Restricted Funds £	Total Funds Year to 31 December 2021 £	Total Funds Year to 31 December 2020 £
Income from:					
Donations and legacies		60,864	21,046	81,910	82,257
Bank interest		1	-	1	9
Other income		-	-	-	460
Total income		60,865	21,046	81,911	82,726
Expenditure on:					
Church running		6,553	597	7,150	5,990
Church upkeep		6,380	-	6,380	3,672
Manse upkeep		7,883	-	7,883	8,282
Pastors & staff salaries and expenses	3	40,129	1,002	41,131	46,919
Gifts and donations		185	15,231	15,416	11,275
Independent examiners fee		600	-	600	480
Total expenditure		61,730	16,830	78,560	76,618
NET INCOME BEFORE GAINS		(865)	4,216	3,351	6,108
Transfers between funds		-	-	-	-
Gain on revaluation of investments & fixed assets		376,379	-	376,379	68,526
NET MOVEMENT IN FUNDS		375,514	4,216	379,730	74,634
Total funds at 1 January 2021	7	1,424,505	11,825	1,436,330	1,361,696
Total funds at 31 December 2021		1,800,019	16,041	1,816,060	1,436,330

The notes on pages 11 to 15 form part of these financial statements.

LETCHWORTH BAPTIST CHURCH CIO

BALANCE SHEET
AS AT 31 DECEMBER 2021

	Notes	<u>31 December 2021</u>		<u>31 December 2020</u> (Restated)	
		£	£	£	£
FIXED ASSETS					
Tangible fixed assets	4	<u>1,792,251</u>	1,792,251	<u>1,415,872</u>	1,415,872
CURRENT ASSETS					
Cash at bank and in hand		23,165		22,253	
Other debtors		<u>2,467</u>		<u>-</u>	
		25,632		22,253	
CURRENT LIABILITIES					
Creditors and accruals	5	<u>1,823</u>		<u>1,795</u>	
NET CURRENT ASSETS			23,809		20,458
			<u>1,816,060</u>		<u>1,436,330</u>
TOTAL FUNDS:					
Unrestricted Funds	6		1,800,019		1,424,505
Restricted Funds	6 / 8		<u>16,041</u>		<u>11,825</u>
			<u>1,816,060</u>		<u>1,436,330</u>

The notes on pages 11 to 15 form part of these financial statements.

ON BEHALF OF THE TRUSTEES:

Mike Waddell
Secretary
Date :

LETCHWORTH BAPTIST CHURCH CIO
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2021

1. ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements have been prepared under the historical cost convention, with the exception that land and buildings are measured using the revaluation model. The financial statements have been prepared in accordance with Financial Reporting Standard (FRS) 102 and the Statement Of Recommended Practice 2019 (SORP), 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 relating to equipment, fixture and fittings are accounted for using the depreciated cost method. Depreciation is charged to the Statement of Financial Activities these assets using the straight-line method over four years. Tangible fixed assets relating to equipment, fixture and fittings are capitalised when the cost exceeds £100.

The residential property (manse) is recognised at the estimated market value, based on an online estate agent site. The market value for the church building cannot be reliably estimated as there is no active market. Therefore an insurance valuation is used. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year. Both buildings were revalued in 2021.

(f) 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 2021

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 (final salary received in January 2021) and two trustees compensated as office-holders.

	Salaries £	Employers Pension £
The total employment costs were:	35,271	157
	Salaries £	Employers Pension £
The amounts paid to the trustees were as follows:		
D Moore-Crispin	23,192	-
D Chan	11,465	157
	34,657	157

There were no employees or trustees who received total employee benefits of more than £60,000.

During the year there were two trustees who had expenses reimbursed totalling £5,703. These expenses related to travel, admin and other ministry costs.

One of these trustees, D Moore-Crispin, receives a stipendiary 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 £	Land and Buildings £	Total £
Brought forward at 1 January 2021	40,196	48,188	1,327,488	1,415,872
Additions in the period	-	-	-	-
Revaluation	(40,196)	(48,188)	464,763	376,379
Market value at 31 December 2021	-	-	1,792,251	1,792,251

LETCWORTH BAPTIST CHURCH CIO

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2021

5 CREDITORS AND ACCRUALS

	2021	2020
	£	£
Accrued expenses	1,181	1,156
PAYE & pension due	642	639
	<u>1,823</u>	<u>1,795</u>

6 MOVEMENT IN FUNDS

RESTRICTED FUNDS

	Funds brought forward	Incoming resources	Outgoing resources	Transfers	Revaluation gain	Funds carried forward
	£	£	£	£	£	£
Oak	502	-	(342)	(160)	-	-
Missionary Account	3,841	13,672	(13,763)	-	-	3,750
Judy Rees	449	5	(614)	160	-	-
Noahs Ark	410	67	(158)	-	-	319
Boards	53	-	-	-	-	53
Ladies Breakfast	32	50	(48)	-	-	34
Chinese Ministry Funds	4,298	2,100	(388)	-	-	6,010
Thumbs Up/Tick Tock Club	-	50	(50)	-	-	-
Harvest	-	406	(406)	-	-	-
Refurbishment	1,500	3,450	-	-	-	4,950
Christmas Day	740	386	(1,061)	-	-	65
Defibrillator	-	860	-	-	-	860
	<u>11,825</u>	<u>21,046</u>	<u>(16,830)</u>	<u>-</u>	<u>-</u>	<u>16,041</u>

UNRESTRICTED FUNDS

General Fund	<u>1,424,505</u>	<u>60,865</u>	<u>(61,730)</u>	<u>-</u>	<u>376,379</u>	<u>1,800,019</u>
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A description of each of the restricted funds is given in Note 9.

7 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds	Restricted Funds	Total Funds
	£	£	£
Tangible fixed assets & investments	1,792,251	-	1,792,251
Current assets	9,140	16,492	25,632
Current liabilities	(1,372)	(451)	(1,823)
	<u>1,800,019</u>	<u>16,041</u>	<u>1,816,060</u>

LETCHWORTH BAPTIST CHURCH CIO

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2021

8 PURPOSES OF RESTRICTED FUNDS

Oak fund and Judy Rees Fund

Oak ceased at the end of December 2020 and no gifts have been made during 2021. In agreement with the donors residual Oak funds have been used for evangelistic projects.

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 may be designated to a particular missionary/organisation, if so 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 used to purchase new external notice boards for the church. Residual funds are to be used for internal notice boards.

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 in support of the Mill Grove Children's home. Due to issues surrounding the provision of food gifts from the Harvest Thanksgiving service to the home, financial gifts were made instead.

Refurbishment Fund

A gift received to refit the toilets. The work has not yet been carried out because of Covid but is planned for 2022.

Christmas Day Fund

Gifts received for The Need Project, Stotfold, per church members' meeting decision.

Defibrillator Fund

Gifts received towards purchasing/leasing a defibrillator for the community to be situated on the external church building

9 RELATED PARTY TRANSACTIONS

Judy Rees (daughter of Derek Moore-Crispin, a trustee) was a part-time employee of the CIO until the end of 2020. She received her last remuneration of £614 in January 2021 (2020: £7031).

LETCHWORTH BAPTIST CHURCH CIO
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2021

10 CHANGE IN ACCOUNTING POLICIES, ESTIMATES AND MATERIAL ERRORS

Tangible Fixed Assets

Tangible fixed assets have been amended for a change in accounting policy. Under the previous accounting policy all tangible fixed assets were valued annually using an insurance valuation. The change in the policy recognises tangible fixed assets, relating to equipment, fixtures and fittings, using the depreciated cost method. In addition, the new policy recognises the value of land and buildings at market value, where it can be reliably estimated.

This change in accounting policy has resulted in the following net increase/(decrease) in funds during the accounting year to 31 December 2021:

	2021
	£
Equipment	(50,598)
Land and buildings	<u>224,922</u>
	<u><u>174,324</u></u>

It would be impractical to determine the adjustment in respect of the previous year due to costs involved with determining the valuations to use and the adjustments made previously.