

LETCHWORTH BAPTIST CHURCH CIO
ANNUAL REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2022

LETCHWORTH BAPTIST CHURCH CIO
REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2022

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LETCHWORTH BAPTIST CHURCH

1st January 2022 to 31st December 2022

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 (Released 26/5/22) David Chan (Pastor) Mike Waddell (Secretary & Treasurer) Michael Cornell Steve Whittall Clive Johnson (Resigned 27/4/22)
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 2022 to 31st December 2022

The Trustees present their annual report and the financial statements for the year ended 31 December 2022. 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 have been conducted both in-person and via Zoom.

During the course of the year, due to issues which arose, the church members decided to part company with the pastor of the English congregation. This action complied with the provisions of the Constitution, Church Rules and pastor's Memorandum of Understanding. The process was guided by Edward Connor Solicitors, who are associated with the FIEC and specialise in church related charity issues.

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.

As a general principle, 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, 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

The Trustees have regarded the Charity Commission's guidance on public benefit.

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. The use of Zoom has been maintained in order to support those who need to consider their health concerns. Joint English and Chinese meetings include monthly Lighthouse Breakfast services.
- Prayer and Bible Studies have continued to aid adherents and enquirers in developing their spiritual life. These have continued in person and via Zoom.
- The pre-school mums' and toddlers' group Noah's Ark.
- Origin8, a weekly, evening activity for young teenagers.
- The weekly afternoon "Friendship Group" for older folk has been maintained.
- 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

The church's volunteers comprises both members and adherents who enable all its activities to take place.

4 Financial Review

General

As an overview, the charity received £94,374 of income during the period and incurred expenses totalling £261,268 giving an decrease in funds of £166,894. In addition, the gains on revaluation of fixed assets was £60,466. The funds carried forward are £1,709,632 and include restricted fund balances of £15,588. 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 departure of the senior pastor during the year has reduced operating expenses for the year.

In consultation with charity solicitors and the Charity Commission, the church members elected to make provision for a settlement with the outgoing pastor including a payment of £177,000 in lieu of any other pension provision. It would be funded from the sale of the manse.

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.

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.

Grants were obtained from the Letchworth Garden City Heritage Foundation to assist with two projects:

- The provision of a publicly accessible, Automatic External Defibrillator place by the main door of the church building.
- The provision of an automatic door as part of a project to improve disabled toilet access.

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, theological and constitutional 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.

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 2022 which are set out on pages 8 to 13 .

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 BFP 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 2022

	Notes	Unrestricted Funds £	Restricted Funds £	Total Funds Year to 31 December 2022 £	Total Funds Year to 31 December 2021 £
Income from:					
Donations and legacies		69,707	24,420	94,127	81,910
Bank interest		24	3	27	1
Other income		220	-	220	-
Total income		69,951	24,423	94,374	81,911
Expenditure on:					
Church running		9,189	782	9,971	7,150
Church upkeep		4,643	10,522	15,165	6,380
Manse upkeep		7,709	-	7,709	7,883
Pastors & staff salaries and expenses	3	213,351	613	213,964	41,131
Gifts and donations		150	13,649	13,799	15,416
Independent examiners fee		660	-	660	600
Total expenditure		235,702	25,566	261,268	78,560
NET INCOME BEFORE GAINS		(165,751)	(1,143)	(166,894)	3,351
Transfers between funds		(690)	690	-	-
Gain on revaluation of fixed assets		60,466	-	60,466	376,379
NET MOVEMENT IN FUNDS		(105,975)	(453)	(106,428)	379,730
Total funds at 1 January 2022	7	1,800,019	16,041	1,816,060	1,436,330
Total funds at 31 December 2022		1,694,044	15,588	1,709,632	1,816,060

The notes on pages 10 to 13 form part of these financial statements.

LETCHWORTH BAPTIST CHURCH CIO

BALANCE SHEET
AS AT 31 DECEMBER 2022

	Notes	<u>31 December 2022</u>		<u>31 December 2021</u>	
		£	£	£	£
FIXED ASSETS					
Tangible assets	4	<u>1,855,829</u>	1,855,829	<u>1,792,251</u>	1,792,251
CURRENT ASSETS					
Cash at bank and in hand		32,445		23,165	
Other debtors	5	<u>1,572</u>		<u>2,467</u>	
		34,017		25,632	
CURRENT LIABILITIES					
Creditors and accruals	6	<u>180,214</u>		<u>1,823</u>	
NET CURRENT ASSETS			(146,197)		23,809
			<u>1,709,632</u>		<u>1,816,060</u>
TOTAL FUNDS:					
Unrestricted Funds	7		1,694,044		1,800,019
Restricted Funds	7 / 9		<u>15,588</u>		<u>16,041</u>
			<u>1,709,632</u>		<u>1,816,060</u>

The notes on pages 10 to 13 form part of these financial statements.

ON BEHALF OF THE TRUSTEES:

Mike Waddell
Secretary
DATE

LETCWORTH BAPTIST CHURCH CIO

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2022

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, the Statement Of Recommended Practice 2019 (SORP) and the Charities Act 2011, on a going concern basis.

The charity constitutes a public benefit entity as defined by FRS102.

(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 for 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 a Chartered Surveyor's assessment, with an effective date of 1 March 2023.

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.

(g) Cash and cash equivalents

Cash and cash equivalents comprise on hand and demand deposits that are subject to an insignificant risk of changes in value

(h) Debtors

Debtors are measured on initial recognition at settlement amount after any trade discounts or amount advanced by the charity. Subsequently, they are measured at the cash or other consideration expected to be received.

(i) Liability recognition

Liabilities are recognised where it is more likely than not that there is a legal or constructive obligation committing the charity to pay out resources and the amount of the obligation can be measured with reasonable certainty.

LETCWORTH BAPTIST CHURCH CIO

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2022

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 were two trustees compensated as office-holders.

	Salaries	Employers Pension
	£	£
The total employment costs were:	34,657	177,157

	Salaries	Employers Pension
	£	£
The amounts paid to the trustees were as follows:		
D Moore-Crispin	23,193	177,000
D Chan	11,465	157
	34,657	177,157

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 £2150.04 (£1537.04 from unrestricted funds and £613 from restricted funds)

These expenses related to travel, admin and other ministry costs.

Derek Moore-Crispin received expenses in the period Jan-March 2022 only.

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

	Land & Buildings £	Equipment £	Total £
Cost			
As at 1 January 2022	1,792,251	-	1,792,251
Additions	-	3,409	3,409
Revaluations	60,466	-	60,466
As at 31 December 2022	1,852,717	3,409	1,856,126
Depreciation			
As at 1 January 2022	-	-	-
Provided during the period	-	297	297
As at 31 December 2022	-	297	297
Net Book Value			
As at 31 December 2022	1,852,717	3,112	1,855,829
As at 1 January 2022	1,792,251	-	1,792,251

LETCWORTH BAPTIST CHURCH CIO

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2022

5. DEBTORS

	2022 £	2021 £
Gift aid debtor	1,572	2,467
	<u>1,572</u>	<u>2,467</u>

6. CREDITORS AND ACCRUALS

	2022 £	2021 £
Accrued expenses	1,193	1,181
PAYE & pension due	652	642
Deferred income	1,369	-
Other creditors	177,000	-
	<u>180,214</u>	<u>1,823</u>

7. MOVEMENT IN FUNDS

RESTRICTED FUNDS

	Funds brought forward £	Incoming resources £	Outgoing resources £	Transfers £	Revaluation gain £	Funds carried forward £
Missionary Account	3,750	13,242	(13,160)	-	-	3,832
Noahs Ark	319	722	(380)	-	-	661
Boards	53	-	-	-	-	53
Ladies Breakfast	34	170	(77)	-	-	127
Chinese Ministry Funds	6,010	4,742	(938)	-	-	9,814
Harvest	-	63	(63)	-	-	-
Refurbishment	4,950	2,929	(7,787)	690	-	782
Christmas Day	65	573	(426)	-	-	212
Defibrillator	860	1,982	(2,735)	-	-	107
	<u>16,041</u>	<u>24,423</u>	<u>(25,566)</u>	<u>690</u>	<u>-</u>	<u>15,588</u>

UNRESTRICTED FUNDS

	£	£	£	£	£	£
General Fund	1,800,019	69,951	(235,702)	(690)	60,466	1,694,044

A description of each of the restricted funds is given in Note 8

8. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Restricted Funds £	Total Funds £
Tangible fixed assets & investments	1,855,829	-	1,855,829
Current assets	17,984	16,033	34,017
Current liabilities	(179,769)	(445)	(180,214)
	<u>1,694,044</u>	<u>15,588</u>	<u>1,709,632</u>

LETCHWORTH BAPTIST CHURCH CIO
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2022

9. PURPOSES OF RESTRICTED FUNDS

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 will be used for refurbishment of internal and external 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. There was provision of food gifts from the Harvest Thanksgiving service given to the home as well as some financial gifts.

Refurbishment Fund

A grant from the Letchworth Garden City Heritage Foundation of £3,619 was received to fit an automated sliding door. The majority of this work was done in 2022 with some remaining to be done in 2023.

Christmas Day Fund

Gifts received for The Foodbank in Letchworth Garden City, per church members' meeting decision.

Defibrillator Fund

A Grant received from the Letchworth Garden City Heritage Foundation of £1,970 and gifts received towards purchasing/leasing a defibrillator for the community to be situated on the external church building. Provided and installed outside the church building, as a managed service by the Community Heartbeat Foundation.

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.