

# Letchworth Baptist Church

Report and Accounts

Year ended 31 December 2023

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**LETCHWORTH BAPTIST CHURCH**  
**LEGAL AND ADMINISTRATIVE DETAILS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

ADDRESS FOR CORRESPONDENCE	West View Letchworth Garden City Hertfordshire SG6 3QJ
GOVERNING DOCUMENT	CIO - Association registered June 2017 as amended December 2021
CHARITY REGISTRATION NUMBER	1173298
TRUSTEES RESPONSIBLE FOR MANAGING THE CHARITY	David Chan (Pastor) Michael Cornell Mike Waddell (Secretary & Treasurer) Steve Whittall
BANKERS	HSBC Bank plc
FINANCIAL ADVISORS	Yoke & Co
CHARTERED SURVEYOR	Davies King Chartered Surveyors
SOLICITORS	Edward Connor Solicitor
INDEPENDENT EXAMINER	Jaimée Young Stewardship 1 Lamb's Passage LONDON EC1Y 8AB

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# **LETCHWORTH BAPTIST CHURCH**

## **TRUSTEES' ANNUAL REPORT**

**1<sup>st</sup> January 2023 to 31<sup>st</sup> December 2023**

The Trustees present their annual report and the financial statements for the year ended 31 December 2023. The accounts employ the cash-based receipts and payments method and comply with Charity Commission guidance CC16.

### **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 6<sup>th</sup> 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.

## **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 charitable purposes 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.

### **3 Achievements and performance**

In planning the activities, the Trustees have applied the guidance on public benefit issued by the Charity Commission.

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 post-lockdown use of Zoom has been maintained in order to support those who need to consider their health concerns.
- The church comprises English and Cantonese speaking congregations. Joint English and Chinese meetings include monthly Lighthouse Breakfast services which are open to all.
- Prayer meetings and Bible Studies, in person and via Zoom, aid adherents and enquirers in developing their spiritual life and support the direction of the church.
- The pre-school mums (dads and grandparents) 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.
- In support of the defibrillator installed at the end of 2022, in association with the Community Heartbeat Trust, the church hosted community training in its use and in CPR.
- Pastoral care has been provided by various church members on-line, via phone and 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**

As the church income level is well below £250,000 it has transitioned to cash-based receipts and payments accounting. This simplifies and reduces the administration burden.

### **General**

As an overview, the charity received £95,500 income during the period and had outgoings totalling £116,300. Including the sale of the manse, there was an overall increase in funds of £784,100. The funds carried forward are £816,600 and include restricted fund balances of £13,600. 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 pastor responsible for the Chinese congregation is an Office Holder Trustee, as set out in the constitution, and is financially supported in order to fulfil his role.

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 Business Meeting of each year. Any money collected in this fund is paid out to those missionaries which the Church members, at a Church Business Meeting, have agreed to support. Occasional gifts are made to other Christian ministries.

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.

A settlement agreement was made with the departing pastor which included a payment-in-lieu of pension of £177,106 once the manse had been sold. An interim, initial advance payment was made to aid the rental of a property and a tax-efficient plan was recommended by their financial advisor for the remaining amount. This carries over to 2024.

Charity specialist financial advisors, Yoke and Co, were appointed to advise the church on an investment policy and its implementation regarding the proceeds of the manse sale.

The use of the proceeds is dependent upon the approach taken regarding the appointment of a pastor. The options include the purchase of another manse, a loan to assist the pastor to purchase a property and investing for income to assist in the financial support of a pastor. There are also maintenance needs in the church building. Because of the expected short-term requirements and the need to preserve capital, the Epworth Cash Plus Fund for Charities was selected as an investment vehicle.

## **Manse Sale**

Davies King Chartered Surveyors of Letchworth Garden City were appointed in 2022 and reappointed in 2023, to provide the required valuation report for the manse, prepared under The Charities (Disposition of Land: Designated Advisors and Reports) Regulations 2023 and Charities Act 2011 Section 119. To complement the marketing advice provided, they were also engaged to provide a managed sale service. The property was marketed through Country Properties Estate Agents of Letchworth, and the sale conducted via sealed offers. The sale was completed in September 2023 for £805,000.

## **Reserves policy**

The trustees have determined that the charity should aim to hold unrestricted cash of no less than £9,000 (which equates to about 3 months of operational costs, excluding pay and stipends) so that the charity could continue to operate should income and / or expenditure vary adversely.

The church membership is relatively small in number, and income is almost exclusively provided by the donation of members and is thus limited. Should a greater need arise, the policy is to request additional donations from Church Members, in this way additional funds can be quickly raised.

Due to the sale of the manse, at the year end, the charity held unrestricted cash in excess of £800,000. Currently, this provides more than adequate reserves until its use has been clarified.

## **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.

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.

The proceeds of the manse sale introduced the need to be concerned about financial risk. This was addressed in the new Investment Policy which mandates the use high quality, ultra-low risk vehicles aimed at capital preservation.

## **6 Responsibilities of the trustees**

Charity law requires us as Trustees to prepare financial statements for each accounting year which record the receipts and payments of the charity for the year.

The Trustees are 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 (May 30, 2024 10:15 GMT+1)

Mike Waddell  
Secretary

May 30, 2024  
Date:.....



**INDEPENDENT EXAMINER'S REPORT**  
**TO THE TRUSTEES OF**  
**LETCHWORTH BAPTIST CHURCH**

I report to the trustees on my examination of the accounts of Letchworth Baptist Church ('the charity') for the year ended 31 December 2023 on pages 9 to 13 following.

**Responsibilities and basis of report**

As the trustees of the charity you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the 2011 Act').

I report in respect of my examination of the charity's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

**Independent examiner's statement**

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

1. accounting records were not kept in accordance with section 130 of the 2011 Act; or
2. the accounts do not accord with the accounting records.

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

*Jaimée Young*  
Jaimée Young (Jun 3, 2024 11:42 GMT+1)

Jaimée Young

Stewardship  
1 Lamb's Passage  
LONDON  
EC1Y 8AB

Date: Jun 3, 2024

**LETCHWORTH BAPTIST CHURCH**  
**RECEIPTS AND PAYMENTS ACCOUNT**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

Notes	<u>Unrestricted Funds</u>		Restricted Funds	Total 2023	Total 2022
	General Funds	Designated Funds			
	£	£	£	£	£
<b><i>Income receipts</i></b>					
Donations	59,469	-	12,633	72,102	71,489
Gift aid receipts	14,167	-	3,102	17,268	17,211
Other grants	-	-	-	-	5,589
Income from charitable activities	837	-	1,266	2,104	2,102
Interest	3,959	-	36	3,995	27
Other	-	-	-	-	220
	<u>78,432</u>	<u>-</u>	<u>17,037</u>	<u>95,469</u>	<u>96,638</u>
<b><i>Capital and similar receipts</i></b>					
Sale of property (manse)	805,000	-	-	805,000	-
	<u>805,000</u>	<u>-</u>	<u>-</u>	<u>805,000</u>	<u>-</u>
<b><i>Total receipts</i></b>	<u>883,432</u>	<u>-</u>	<u>17,037</u>	<u>900,469</u>	<u>96,638</u>
<b><i>Payments</i></b>					
Payments in relation to charitable activities undertaken directly	2 96,807	-	3,377	100,184	73,559
Grants paid in relation to charitable activities undertaken by others	3 696	-	15,440	16,136	13,799
<b><i>Total payments</i></b>	<u>97,503</u>	<u>-</u>	<u>18,817</u>	<u>116,320</u>	<u>87,358</u>
Net of receipts / (payments) before transfers	785,929	-	(1,780)	784,149	9,281
Transfers between funds	5 -	-	-	-	-
<b>Net movement in funds</b>	<u>785,929</u>	<u>-</u>	<u>(1,780)</u>	<u>784,149</u>	<u>9,281</u>
Cash funds as at last year end	17,088	-	15,357	32,446	23,165
<b>Cash funds at this year end</b>	<u>A 803,017</u>	<u>-</u>	<u>13,578</u>	<u>816,595</u>	<u>32,446</u>

The notes on pages 11-13 form part of these accounts.

**LETCHWORTH BAPTIST CHURCH**  
**STATEMENT OF ASSETS AND LIABILITIES**  
**AS AT THE YEAR ENDED 31 DECEMBER 2023**

	<u>Unrestricted Funds</u>		Restricted funds	Total 2023	Total 2022
	General funds	Designated funds			
	£	£	£	£	£
<b>A Cash funds</b>					
Cash at bank with immediate access	197,034	-	13,578	210,612	17,684
Notice account	605,655	-	-	605,655	14,678
Cash in hand	328	-	-	328	84
	<u>803,017</u>	<u>-</u>	<u>13,578</u>	<u>816,595</u>	<u>32,445</u>
<b>B Other monetary assets</b>					
Gift aid due to charity	255	-	-	255	1,572
Other debtors	207	-	-	207	-
	<u>461</u>	<u>-</u>	<u>-</u>	<u>461</u>	<u>1,572</u>
<b>C Liabilities</b>					
<b>Falling due within one year:</b>					
Payments in lieu of pension	Note 7	137,259	-	137,259	-
PAYE and pension due		174	-	174	653
Fee for Independent Examination		1,320	-	1,320	660
Accrued expenses		-	-	-	1,193
		<u>138,753</u>	<u>-</u>	<u>138,753</u>	<u>2,506</u>

<b>D Assets retained for charity's own use</b>	Fund to which asset belongs	Value 2023
		£
Church building	General	-
Contents and equipment	General	59,504
		<u>59,504</u>

The trustees have used insurance values for contents and equipment as the trustees are unable to reliably estimate current values; insurance values may differ materially from current values.

*Current values have not been quoted for the church building because reliable valuations are not available (disclosure is not mandatory).*

**E Guarantees and secured debts**

The charity has not given any guarantees and has not provided its assets as security for any liabilities.

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

by Mike Waddell date May 30, 2024  
Mike Waddell (May 30, 2024 10:15 GMT+1)  
Mike Waddell (Secretary & Treasurer)

The notes on pages 11-13 form part of these accounts.

**LETCHWORTH BAPTIST CHURCH**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

**1 Accounting policies**

The accounts have been prepared on a receipts and payments basis and comprise a statement that shows the charity's receipts and payments, a statement that summarises the charity's assets and liabilities and related notes. The accountancy profession have determined that only accounts prepared in accordance with applicable accounting standards present a 'true and fair' view and, as these receipts and payments accounts have not (and cannot) be prepared in accordance with accounting standards, these accounts do not present (and are not intended to present) a 'true and fair' view of the charity's financial activities and state of affairs.

In the previous year, the charity presented accounts prepared on the accruals basis using the Charities SORP. However, as the charity's income is now less than £250,000, it has taken advantage of the option to prepare its accounts on a receipts and payments basis and the results reported previously have been restated; further information is given in note 6 below.

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity. Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. Restricted funds are donations which are to be used in accordance with specific restrictions imposed by donors; they include donations received from appeals for specific activities or projects.

		<u>Unrestricted Funds</u>		Restricted Funds	Total 2023	Total 2022
		General funds	Designated funds			
		£	£	£	£	£
<b>2 Payments in relation to charitable activities undertaken directly</b>						
Employment costs	Note 4	16,769	-	700	17,469	36,953
Payments in lieu of pension	Note 7	30,000	-	-	30,000	-
Church ministries and activities		7,428	-	2,321	9,749	9,287
Church repairs and maintenance		1,765	-	355	2,121	12,420
Church utilities		2,920	-	-	2,920	1,946
Insurance		987	-	-	987	799
Manse upkeep		9,918	-	-	9,918	7,709
Legal and professional fees		26,360	-	-	26,360	3,785
Independent examination fee		660	-	-	660	660
		<u>96,807</u>	<u>-</u>	<u>3,377</u>	<u>100,184</u>	<u>73,559</u>

**3 Grants and gifts paid to others**

Organisations:					
Illyrian Gospel Trust	-	-	7,552	7,552	6,580
Organisations < £1,000	496	-	335	831	489
Support of missionary	-	-	7,552	7,552	6,580
Other individuals	200	-	-	200	150
	<u>696</u>	<u>-</u>	<u>15,440</u>	<u>16,136</u>	<u>13,799</u>

**LETCHWORTH BAPTIST CHURCH**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

**4 Transactions with related parties**

D Chan served as a church leader and was paid £14,890 [2022: 11,465] for serving in that capacity, not for serving as a trustee; these payments are permitted by the charity's governing document.

No payments were made to any other trustees or persons related to them, except for reimbursement of expenses paid out on behalf of the charity.

**5 Movement of funds**

	Opening balance £	Open bal adjust for RP £	Receipts £	Payments £	Transfers £	Closing balance £
General funds	17,088	-	883,432	(97,503)	-	803,017
	<u>17,088</u>	<u>-</u>	<u>883,432</u>	<u>(97,503)</u>	<u>-</u>	<u>803,017</u>
Restricted funds						
Missionary fund	3,833	(240)	14,841	(15,105)	-	3,329
Noah's Ark	661	(223)	1,287	(1,306)	-	419
Boards	53	-	-	(53)	-	-
Ladies Breakfast	126	-	59	(112)	-	73
Chinese Ministry funds	9,814	45	-	(1,504)	-	8,355
Harvest	-	-	118	(124)	-	(6)
Refurbishment	782	54	-	(294)	-	542
Christmas Day	212	135	732	(212)	-	866
Defibrillator	107	-	-	(107)	-	-
	<u>15,587</u>	<u>(230)</u>	<u>17,037</u>	<u>(18,817)</u>	<u>-</u>	<u>13,578</u>
Total funds	<u>32,675</u>	<u>(230)</u>	<u>900,469</u>	<u>(116,320)</u>	<u>-</u>	<u>816,595</u>

Missionary fund is for the purpose of raising funds to support a particular missionary/organisation supported by the church.

Noah's Ark is a parent and toddler group that is run by the church; the attendees give donations which are used to provide refreshments and renew play equipment.

Boards is a fund used to purchase new external notice boards for the church and refurbish existing notice boards.

The Ladies Breakfast fund is used to cover food for these meetings.

The Chinese Ministry funds are used to support projects including Ministry in China, Ministry to Chinese elsewhere in the world, support of Pastor Chan's Ministry and Central.

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.

The refurbishment fund relates to a grant provided by the Letchworth Garden City Heritage Foundation to fit an automated sliding door. The majority of the work was completed in 2022 and the remaining funds will be spent in 2024.

The Christmas Day Fund for 2023 was to raise funds which will be split 50/50 between The Need Project in Stotfold and Christian Concern.

The defibrillator fund relates to a grant received towards purchasing/leasing a community defibrillator installed outside the church building.

**LETCHWORTH BAPTIST CHURCH**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

**6 Reconciliation with previously reported funds**

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

*Reconciliation of reserves*

	2022 £	2021 £
Previously reported reserves, at 31 December	1,709,632	1,816,060
Adjustments arising from use of receipts and payments basis:		
Exclusion of previously included fixed assets	(1,855,829)	(1,792,251)
Exclusion of previously included debtors	(1,572)	(2,467)
Exclusion of previously included creditors	180,214	1,823
Re-stated reserves, at 31 December	<u>32,445</u>	<u>23,165</u>

*Reconciliation of results*

	2022 £
Previously reported results	(106,428)
Adjustments arising from use of receipts and payments basis:	
Previously capitalised expenditure, less depreciation, now expensed	(63,578)
Excluded movements in debtors resulting in the recognition of more / (less) income	895
Excluded movements in creditors resulting in the recognition of less / (more) expenditure	178,391
Re-stated results	<u>9,280</u>

**7 Payments in lieu of pension**

In 2022, in consultation with charity solicitors and the Charity Commission, a settlement agreement was made with the departing pastor which included a payment-in-lieu of pension of £177,106 once the manse had been sold. An interim, initial advance payment was made to aid the rental of a property and a tax-efficient plan was recommended by their financial advisor for the remaining amount. The remaining amount, less expenses incurred, is expected to be paid in full in 2024.