

Solent Evangelical Church

Report and Accounts
Year ended 28 February 2023

Stewardship 
Active generosity

1 Lamb's Passage, London EC1Y 8AB
www.stewardship.org.uk

Solent Evangelical Church
LEGAL & ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 28 FEBRUARY 2023

ADDRESS FOR CORRESPONDENCE	365A Forton Road Gosport PO12 3HF
GOVERNING DOCUMENT	CIO Constitution Registered 18 December 2018
CHARITY REGISTRATION NUMBER	1181249
TRUSTEES RESPONSIBLE FOR MANAGING THE CHARITY	David Hugh Stanford (Pastor) Ronald Philip Bygrave Paul David Williams
BANKERS	Santander Business Banking Bridle Road Bootle Merseyside L30 4GB
INSURERS	Ansvar Insurance Ansvar House St Leonards Road Eastbourne BN21 3UR
AFFILIATIONS	Fellowship of Independent Evangelical Churches (FIEC) Solent Gospel Partnership (SGP)
INDEPENDENT EXAMINER	Sarah Crispin (ACA) Stewardship 1 Lamb's Passage LONDON EC1Y 8AB

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Solent Evangelical Church

Trustees' Annual Report and Financial Statement

Reporting Period: 1 March 2022 to 28 February 2023

Governance

The managing trustees of the charity are the elders, who are appointed by members in accordance with the Church Handbook. The current elders are listed above. Ron Bygrave and Paul Williams were re-elected for a 5 year term at a Church Members Meeting held on 6 November 2019. David Stanford as an employed elder / pastor is not appointed for a fixed term of office but his appointment as elder (managing trustee) would terminate with his employment were that to cease according to the proper processes.

Deacons are also appointed in support of the elders and to take responsibility for various roles in the life of the church which would otherwise distract the elders from the primary leadership role. Paul Bassett had served well as a deacon in two short year terms from January 2020 through to January 2022. He continued in the role de facto, and was reappointed / elected for a full 3 year term at the AGM in November 2022. His special responsibilities are for the tech equipment and for publicity.

Charity Objectives

As set out in our Constitution, the objectives of Solent Evangelical Church are:

The advancement of the Christian faith in accordance with the Basis of Faith primarily but not exclusively within Gosport and the surrounding neighbourhood; and such other charitable purposes as shall, in the opinion of the charity trustees, put into practice the Christian faith in accordance with the Basis of Faith.

Activities in fulfilment of the Objectives

The church is committed to helping any who we can to come to know and follow Jesus and leading people to faith in Jesus is core to the advancement of the Christian faith. This is of huge benefit to those who come to trust in God in this way, and we believe it is therefore a great public benefit to give people the opportunity to hear about the Christian faith.

The period March 2022 – February 2023 is the first full year without government restrictions due to the Covid 19 pandemic. However, we have found that it has taken some time to restart our activities and return to something like the level of activity prior to the pandemic.

- Regular Sunday morning services, including singing, prayer, Bible reading and preaching. These are our primary gathering of the week, and have been our consistent opportunity for regulars and members to meet together, and for outsiders to come and hear about the Christian faith.
- The morning services have been normally livestreamed (except in a few rare cases) and it is our intention to continue with this indefinitely. We see this as an excellent way for the Christian faith to be accessible to those unfamiliar with its message, and it also provides a way for members of the community who are not able to physically attend to have access to the service online.
- Regular midweek Bible studies and prayer meetings have been restarted, especially from October, although currently these are in one group meeting at the church, rather than in separate small groups in homes which would be our preference. These have seen a fairly small but consistent core of individuals attending, a subset of our regular congregation.

- Since October, roughly once a month we have held evening church, which has been for the purpose of teaching the Bible in more depth on issues which are of particular relevance and controversy in the current culture.
- Coffee Pot (a coffee shop) runs once every 2 weeks in term time, and has continued to run throughout the current year, with a good number of regular visitors from the community surrounding the church, providing a welcoming and friendly atmosphere for friends to gather and for the church to make contact with people and help where possible. This continues to be much appreciated by local people who attend. We would like to run this more regularly (once per week), but are limited in that by available volunteers.
- We ran a Christianity Explored class over several weeks in the early part of the year for people interested in understanding the Christian message better.
- At Christmas we ran a number of Christmas related events including an informal all age church event, and a carol service in the lead up to Christmas. We met as we usually do on Christmas day. All these services are open to visitors to attend and we saw a number of new visitors at these meetings.
- We ran occasion youth events for the fairly small number of teenage young people in the church, including Bible studies and social events – a highlight being the “barbecue in the woods”.
- Other one off special events and services occurred during the year – including a church meal, a family fun day, a dedication, and a wedding.
- We have supported two individuals from the church who have moved away to undertake theological training with a view to future full time Christian work.
- We have continued to support financially outside organisations who share our ethos and desire to advance the Christian faith.

Leadership and Employment developments

In May of 2022, we took on a part time administrator to work as “Financial Administrator, Best Practice Administrator, Evangelism Worker and Events Co-ordinator”. It has been a long term aim to be able to employ someone to give time to these areas in the life of the church and we have been very pleased to be able to finally take the step of employing someone.

This has proved to be a successful move, and the church has benefited greatly.

Also during this year, David Stanford took 4 months of long service leave from June to September, after having been continuously employed in his role as pastor at Solent for nearly 15 years. This was undertaken as part of the church’s responsibility to care for its employees and to provide an opportunity for David to be refreshed and rested in a way that is not normally possible in regular employment.

This had a significant effect on the church (doubtless both positive and negative), as visiting preachers came to take Sunday services, and other leadership activities usually handled by David in his regular employment were put on hold. However, we believe this was a valuable and necessary provision to make.

Achievements and Performance

We have successfully continued to tell people about the message of Jesus Christ, both locally and beyond, through our regular activities, and are glad that some have come to believe in Jesus during this period.

We are pleased that some return to pre-pandemic levels of activity has occurred, although are not able to do as much as we would like, and want to see development in other areas as people-power enables it.

A number of individuals have faced life difficulties during this time and have received significant support both practical and moral from the church which has significantly helped them in those difficulties.

The trustees have considered the guidance issued by the Charity Commission on public benefit and believe that we have fulfilled our objectives in this regard.

Financial Policies

It is our general policy to hold reserves in place equal to at least the running costs of the church for a three month period, considered in the scenario of a catastrophic loss of income.

This figure is currently estimated to be £10,000. At the end of the current year (end of February 2023) we held £23,399 in reserve which is well above the required reserves level.

Financial Summary

The big change to the church finances during this period has been the employment of our part time administrator which has been of great benefit. As expected this has meant we have used significant amounts of our reserves which had been earmarked for this purpose, so diminishing reserves are not initially a cause for concern.

However, we have not yet seen an increase in giving which would enable us to be reassured of our ability to continually employ a part time administrator on the current terms. Note also that the part time administrator was employed for 10 months of the year – from May – so the increased costs of employment are not representative of a full 12 months.

The income levels for this year are slightly up from the previous year - £43,503 compared to previous year figure of £42,674.

Actual expenditure has reduced from £61,826 (2022) to £55,108 (this year). However, 2022 figures were inflated due to building refurbishment costs of around £17K so are not a fair comparison. In effect, with the refurbishment costs taken out, general expenditure has increased year to year by around £10K. This increase is due to a combination of factors. The main increase is in our employment costs as previously mentioned, but as well as that there are additional costs in the following: support of two individuals in theological training; church website redesign; additional costs of outside speakers during the pastor's long leave; increases to insurance and utilities; additional janitorial costs (actually part of finishing toilet refurb).

Although some of these costs will continue in the next year, and employment costs are expected to increase by around £2,500, a number of these costs were one offs which will not recur in the next year. Approximately £3,000 of these increases in expenditure could be considered one off expenses.

The next financial year will be a real test of our ability to fulfil our current financial obligations and similar analysis at this point of next year will be critical. Although at this point there is not immediate cause for concern, the finances at this year's close do provide an impetus to the church to increase giving to match our commitments and support our charitable work in the way we believe it should best be done.

We shall also have to consider our outgoings and take care expenditure is kept as low as possible. It may be that expenses we would like to incur (for instance for upgraded equipment) will need to be delayed until funds are available.

Responsibilities of 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.

We are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable us to ensure that the financial statements comply with the Charities Act 2011.

We also have a responsibility to safeguard the assets of the charity and to take reasonable steps to prevent fraud or any other irregularities.

Approval

This report was approved by the trustees and signed on their behalf by:

David Stanford: *D Stanford*

Date: 18 September 2023

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF

Solent Evangelical Church

I report to the trustees on my examination of the accounts of Solent Evangelical Church ('the charity') for the year ended 28 February 2023 on pages 8 to 10 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.

S Crispin

Sarah Crispin (ACA)

Stewardship
1 Lamb's Passage
LONDON
EC1Y 8AB

Date:

Solent Evangelical Church
RECEIPTS AND PAYMENTS ACCOUNT
FOR THE YEAR ENDED 28 FEBRUARY 2023

	Notes	<u>Unrestricted Funds</u>		Restricted Funds	2023	2022
		General Funds	Designated Funds			
		£	£	£	£	£
Income receipts						
Donations		34,990	670	200	35,860	36,451
Gift aid receipts		6,045	-	-	6,045	5,696
Income from letting of facilities		1,563	-	-	1,563	525
Interest received		35	-	-	35	2
Total receipts		<u>42,633</u>	<u>670</u>	<u>200</u>	<u>43,503</u>	<u>42,674</u>
Payments						
Payments in relation to charitable activities undertaken directly	2	40,820	10,888	-	51,708	59,626
Grants paid in relation to charitable activities undertaken by others		3,200	-	200	3,400	2,200
		<u>44,020</u>	<u>10,888</u>	<u>200</u>	<u>55,108</u>	<u>61,826</u>
Purchase of fixed assets		-	-	-	-	-
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total payments		<u>44,020</u>	<u>10,888</u>	<u>200</u>	<u>55,108</u>	<u>61,826</u>
Net of receipts / (payments) before		(1,387)	(10,218)	-	(11,605)	(19,152)
Transfers between funds	4	1,892	- 1,892	-	-	-
Net movement in funds		<u>504</u>	<u>(12,109)</u>	<u>-</u>	<u>(11,605)</u>	<u>(19,152)</u>
Cash funds as at last year end		21,395	12,810	-	34,205	53,357
Cash funds at this year end	A	<u>21,899</u>	<u>701</u>	<u>-</u>	<u>22,600</u>	<u>34,205</u>

The notes on page 10 form part of these accounts.

Solent Evangelical Church
STATEMENT OF ASSETS AND LIABILITIES
FOR THE YEAR ENDED 28 FEBRUARY 2023

	Notes	Unrestricted Funds		Restricted funds	2023	2022
		General funds	Designated funds			
		£	£	£	£	£
A Cash funds						
Cash at bank with immediate access		21,899	610	-	22,509	34,093
Petty cash		-	91	-	91	112
		<u>21,899</u>	<u>701</u>	<u>-</u>	<u>22,600</u>	<u>34,205</u>
B Other monetary assets						
Gift aid due to charity		5,714	-	-	5,714	6,045
		<u>5,714</u>	<u>-</u>	<u>-</u>	<u>5,714</u>	<u>6,045</u>
C Liabilities						
Falling due within one year						
HMRC payroll taxes due		1,025	-	-	1,025	-
Fee for Independent Examination		930	-	-	930	840
Accrued expenses		952	-	-	952	-
		<u>2,907</u>	<u>-</u>	<u>-</u>	<u>2,907</u>	<u>840</u>
Total		<u>2,907</u>	<u>-</u>	<u>-</u>	<u>2,907</u>	<u>840</u>
D Assets retained for charity's own use						
				Cost	Current value	
				£	£	
Freehold of church building				-	315,790	
Computers and IT				2,599	932	
Furniture				5,000	-	
				<u>7,599</u>	<u>316,722</u>	

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

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:

D Stanford

David Stanford

Date: 18 September 2023

The notes on page 10 form part of these accounts.

Solent Evangelical Church

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 28 FEBRUARY 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.

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			
	£	£	£	£	£
2 Payments in relation to charitable activities undertaken directly					
Employment costs (see note 3)	28,033	10,377	-	38,410	33,940
Ministry expenses	2,885	-	-	2,885	1,489
Coffee Pot expenses	-	511	-	511	255
IT equipment	-	-	-	-	-
Refurbishment costs	136	-	-	136	17,794
Small equipment	-	-	-	-	220
Building maintenance & repair	1,418	-	-	1,418	286
Utilities	1,812	-	-	1,812	1,316
Insurance	1,449	-	-	1,449	1,242
Legal & Professional fees	1,517	-	-	1,517	960
Office & IT costs	2,195	-	-	2,195	1,340
Other costs	655	-	-	655	65
Contribution to FIEC	720	-	-	720	720
	<u>40,820</u>	<u>10,888</u>	<u>-</u>	<u>51,708</u>	<u>59,626</u>

3 Transactions with related parties

David Stanford served as church leader and was paid £32,988 inclusive of pension (2022: £32,992) for serving in that capacity, not for serving as a trustee; these payments are permitted by the charity's governing document.

Rhiannon Stanford who is related to David Stanford, received £720 (2022: £300) towards her support at Bible College.

4 Movement of funds

	Balance at 28 February 2022	Receipts	Payments	Transfers	Balance at 28 February 2023
	£	£	£	£	£
General funds	21,395	42,633	(44,020)	1,892	21,899
Designated funds					
Betchworth special projects	10,377	-	(10,377)	-	-
Local Evangelical Legacy	1,634	-	-	(1,634)	-
Snapdragons	258	-	-	(258)	-
Coffee Pot	542	670	(511)	-	701
	<u>12,810</u>	<u>670</u>	<u>(10,888)</u>	<u>(1,892)</u>	<u>701</u>
Restricted funds					
Mission appeals	-	200	(200)	-	-
	<u>-</u>	<u>200</u>	<u>(200)</u>	<u>-</u>	<u>-</u>
Total funds	<u>34,205</u>	<u>43,503</u>	<u>(55,108)</u>	<u>-</u>	<u>22,600</u>

Designated Funds

Betchworth special projects fund was set aside for the kitchen refurbishment and employment costs and this year has been spent on employee. Local Evangelical Legacy was set aside for livestream facility and development of unisex toilets. These projects are now complete so the remainder has been transferred to General funds. Snapdragons fund represents money held for the toddler group. This is no longer running so funds have been transferred to general. Coffee Pot fund represents money held for this activity.

Restricted Funds

Mission appeals are fund raised for specific one-off appeals