

Hertford Baptist Church

Port Hill
Hertford
Hertfordshire

A registered place of worship

Registered Charity No 1131979

Report of the Trustees

&

Accounts

1 January - 31 December 2016

HERTFORD BAPTIST CHURCH

Report of the Trustees and Accounts for the year ended 31 December 2016

The trustees are pleased to present their annual report together with the financial statement of the charity for the year ending 31st of December 2016 which is also prepared to meet the requirements for the Trustees report and accounts for submission to the Charities Commission.

The financial statements comply with the Charities Act 2011, and the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015). The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved early adoption of the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) as amended by the Update Bulletin 1 for accounting periods beginning on or after 1 January 2016 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has been withdrawn.

In preparing this report, the trustees have taken note of all the requirements and guidance issued by the Charity Commission including the specific guidance for religious charities on public benefit. The charity's policy is to prepare its accounts on an accruals basis and comply with approved accounting standards.

HERTFORD BAPTIST CHURCH

Report of the Trustees and Accounts for the year ended 31 December 2016

Chair's report

At the start of 2016, David Sunman continued as Senior Pastor with a Leadership Team of two church officers, (Dawn Weston as Secretary and John Goligher as Treasurer), and an additional 8 deacons working together to lead the church.

From the beginning of the year we consolidate the two morning services (9:15 and 11:00) into a single service at 10:15am. We continue to meet to worship at 6:30pm on Sundays.

The Alpha Course went ahead as planned in the Spring Term. This proved to be helpful to those attending as they found out more about the Christian faith. Two of those coming to Alpha were baptised at our Pentecost service in May. We held an additional baptism service for another baptismal candidate in October.

At the Church Members Annual General Meeting in May, the elections for Deacons and Church Officers were held. Nigel Hollingsworth and John Goligher were elected for one year to serve as Church Secretary and Church Treasurer respectively. With 4 Deacons stepping down and Nigel offering to serve and being appointed as Church Secretary, this left 5 vacancies on the diaconate. Alison Broomfield was re-elected on the 24th of May 2016 to serve as a Deacon for a further three-year term and Tim Strong was elected to serve for a three-year term. This left three Deacon positions vacant and so a further election was held in July. On 19th July, Carey White, Caroline Davies and Sarah Colligan were all appointed to serve as Deacons until the AGM in May 2019.

The church remains in a time of transition. We continue to seek to appoint an Associate Pastor with responsibility for outreach and families work and hope to follow that up by appointing a youth worker, a children's worker and a senior's worker. In addition, we are having to consider how we get the best out of our current premises and what scope there is to develop these facilities in order to further our mission of leading people into a growing relationship with Jesus Christ.

David Sunman

David Sunman
Senior Pastor

HERTFORD BAPTIST CHURCH

Report of the Trustees and Accounts for the year ended 31 December 2016

OUR PURPOSES AND ACTIVITIES

The Mission Statement of the Church is "Leading People into a growing relationship with Jesus Christ." The vision and value statements define the nature of the Church and its vision for growth. The church seeks to encourage individual members to demonstrate these values in their own lives. The church follows the doctrinal basis contained in its governing document and seeks to apply this in today's society and culture.

The church's principal aim is to advance the Christian faith in Hertford and surrounding areas and through the Christian church nationally and worldwide, and to serve the spiritual, emotional, moral and physical needs of the local community. To help fulfil these objectives, Hertford Baptist Church maintains a registered place of worship and associated buildings, for Christian worship, fellowship, teaching and community activities. Regular public Sunday morning and evening services are conducted. These attract about 230 people from the local community each week. In addition, we provide a wide range of weekday activities for all ages and many sections of society, to which all are welcome. To achieve the benefits of smaller scale group activities, Home Groups meet weekly for mutual encouragement and support.

In addition to our core purpose of the advancement of the Christian faith and as an expression of that core purpose, the church seeks to provide additional public benefit through the provision of activities such as lunches for the elderly (twice a month), youth clubs, support for those with learning disabilities (monthly) and engagement with the local community through the projects including the Food Bank, Street Pastors and Future Hope (working with young people dealing with crises such as addiction, mental health problems and family breakdown). The church also supports a variety of projects caring for the poorest and neediest around the world through social action and evangelism.

Our senior pastor, two part-time administrators, a part-time secretary and a part-time cleaner are presently employed. These employees work alongside over 150 voluntary workers without whom the church could not function.

ACHIEVEMENTS AND PERFORMANCE

Staff

David Sunman has continued to serve the church as Senior Pastor throughout 2016. The church commenced the search for an Associate Pastor in March 2016. That has not yet resulted in an appointment and so the search continues into 2017.

Andrew Collins and John Goligher have continued to work as Church Administrator and Finance Administrator respectively.

The Office Secretary, Heather Read, continues to work to support the functions of the Church. Our part-time cleaner remains in post.

HERTFORD BAPTIST CHURCH

Report of the Trustees and Accounts for the year ended 31 December 2016 (continued)

ACTIVITIES and ORGANISATIONS

The church has maintained all its major areas of work during the year. From the beginning of 2016 the church moved to offering a single morning service at 10:15 instead of a service at 9:15 and another at 11:00. There were 288 Church Members at the end of the year, approximately 230 people attend one or more services on Sundays. There were baptismal services held in May and October when 3 people were baptised. The children and young people's activities, the toddler club and the regular meetings for more elderly folk are all well supported. Fourteen mid-week home groups meet regularly.

The church website continues to provide a well-used source of information both for members and others and the weekly sermons are available for listening to on-line and for download.

Youth and children's activities have continued through 2016. Activities aimed at young people have been key to maintaining and growing these age groups in the church family.

The Church has been pleased to work closely with the Young Life organisation in Hertford through which a number of young people with little or no knowledge of Christianity have come to faith during the year. Future Hope, 'helping people in crisis gain hope and a future', focussing primarily on young people ages 11-19, is supported by members of the Church.

A variety of groups and activities continue in their important work at Hertford Baptist Church. The Alpha Course was held in the Spring term. The Hub at the Sele Community Centre which has been going for almost ten years, provides an opportunity for about 50 people from the estate to meet together each month with a team of people from Hertford Baptist Church. There is also a monthly lunch club on Sele for Seniors.

The Hertford Foodbank which serves the local community continues to draw many volunteers and contributions from Hertford Baptist Church. Many people are involved in the organisation and there is a good partnership with other agencies working in the community.

The Cross Links group at Hertford Baptist Church is particularly for adults (16+) with learning disabilities and is run by 13 leaders and helpers. This social network with a Christian foundation has been going for eleven years. Cross Links provides opportunities for fun, food and friendship as well as enabling individuals to express themselves spiritually. Members of the group are included and involved in worship and fellowship, and are supported in making informed choices about Christianity.

The Church's work with Senior Citizens continues with many enjoying activities. Tuesday Fellowship and Tuesday Fellowship Activities draw 15 - 20 people and is enjoyed by all who attend. The monthly "Golden Lunch" welcomes around 70 people for a hot lunch and fellowship. Several times a year, a day-long event called CAMEO is organised when Seniors enjoy a day of recreation and fellowship together.

HERTFORD BAPTIST CHURCH

Report of the Trustees and Accounts for the year ended 31 December 2016 (continued)

STRUCTURE GOVERNANCE AND MANAGEMENT

Governing document

Hertford Baptist Church is a charity registered with the Charity Commission No. 1131979, constituted as an Unincorporated Charitable Association. It is governed by a Foundation Trust Deed dated 16 November 1903 enrolled in the Central Office of the Supreme Court of Judicature on the 21 November 1903, by a constitution approved by the Charity Commission on 5 October 2009 and by Declaration of The Baptist Trusts for Churches 2003 and the Baptist Trusts for Manses 2004, dated 18 April 2006. The church is the beneficial owner of freehold property in Hertford, the legal title to which is held by the church's custodian trustee, the Baptist Union Corporation Ltd.

Appointment of trustees

Hertford Baptist Church is a fully independent organisation and the Church Members' Meeting, held six times a year, is the ultimate authority. The Church Members' Meeting appoints deacons who act as managing trustees. The appointment of trustees requires the support of not less than 50% eligible votes cast. Deacons are appointed for a period of three years, and may serve for two consecutive periods of three years before being required to stand down for a minimum of one year. Two officers, a secretary and a treasurer, are elected annually and are ex officio deacons and managing trustees. Information is provided for those considering offering themselves for election as deacons and trustees, as is induction and ongoing training for those elected.

Organisation

The day-to-day programme and spiritual welfare of the church is directed by the Senior Pastor, in consultation with the Leadership and Staff Teams.

Individual deacons have a lead role on various aspects of the church's ministry. The pastor, deacons and trustees meet twice-monthly to determine, approve and monitor the strategy and programme of the church, to receive financial reports, and to undertake the management responsibilities of the charity, and also for prayer. They meet at least once annually for an extended meeting to consider strategic development.

Hertford Baptist Church is a member of the Baptist Union of Great Britain, its regional organisation the Central Baptist Association, and a number of other organisations with which it identifies, including the Evangelical Alliance and the local ecumenical group, Hertford and District Churches Together.

Related parties and co-operation with other organisations

With the exception of Pastors who by nature of their appointment are trustees and also paid employees, none of the charities other trustees receive remuneration or other benefit from their work with the charity as trustees. John Goligher (Treasurer) is employed as the financial administrator for the church and was appointed to this position in November 2014. Any connection between a trustee and senior manager of the charity with a supplier or external organisation must be disclosed to the full board of trustees in the same way as any other contractual relationship with a related party. In the current year no such related transactions were reported.

HERTFORD BAPTIST CHURCH

Report of the Trustees and Accounts for the year ended 31 December 2016 (continued)

Various organisations are associated with the church and their leaders are appointed by the Church Members' Meeting. Some of these small organisations keep their own accounts and have separate bank accounts; none exceed £5,000 in income or expenditure per annum. Other unrelated organisations, which are compatible with the church's values, use the church premises and usually pay a nominal fee for doing so. There are no other legal or formal links with related parties.

Pay policy for senior staff

The pay of senior staff (including Pastors) is reviewed annually and normally increased in accordance with average earnings. In view of the nature of the charity the trustees consider the advice of 'The Baptist Union of Great Britain' when setting pay levels.

Risk management

A policy of continuous risk assessment and review is adopted. A Health & Safety Policy Document was formally adopted by the Church Meeting in May 2004, and a Health & Safety Officer appointed. A range of risk assessments, action plans and work activities are carried out periodically. The Safeguarding Children & Youth Policy and the Safeguarding Vulnerable Adults Policy is reviewed yearly and is adopted at the Church meeting.

Hertford Baptist Church has a liability emanating from its participation in the Baptist Union Defined Benefit Pension Scheme; this scheme was closed at the end of 2011. This liability is a result of previously employed Ministers/Pastors being enrolled in the scheme while employed by Hertford Baptist Church. As at 30/06/2015 the technical provisions deficit was £106 million, equating to an average debt of £71,000 per employer. The trustees of the Baptist Union Pension Scheme have stated their intention that each participating church will have their actual debt calculated. As and until this calculation is made the trustees consider it prudent to make a provision in the accounts to the value of £120,000. The church currently makes a deficit contribution of 12% (£6,000) from January 2016 (previously 11% during 2015) into the BU defined benefit scheme and while these payments continue there is no immediate expectation that this debt will require to be paid.

FINANCIAL REVIEW

Financial income is derived from voluntary donations and regular giving by church members and those who attend the church, supplemented by contributions to activities by those taking part, and some income from hiring of the premises. Donations during the year of just over £171,000 were received through regular offerings. This was a decrease on the previous year and did not meet the budgeted income target.

A significant proportion of the church's income is given by way of donations to Christian mission and relief groups and training colleges, to individuals in training for Christian service and to people in Christian work, mostly overseas and through their commissioning organisations. These grants are approved annually by the Church Members' Meeting and no commitment is made to grants in advance or to future funding, the funding for such grants being received during the year of payment. During 2016 the church was able, through the generosity of members and friends, to make donations to external causes amounting to £63,265 or about 29% of total non-capital expenditure. A further £2,586 was given in Training Support to members. A small pastoral care fund is also available for immediate relief of need. Full disclosure of material grants made is included in the notes to the accounts including the names of individuals ultimately benefiting from material amounts.

HERTFORD BAPTIST CHURCH

Report of the Trustees and Accounts for the year ended 31 December 2016 (continued)

Free reserves at the end of the year stood at £191,380 before making provision of £120,000 for the shortfall in the BU Pension defined benefit scheme. This leaves a free reserve of £71,380 which is an increase on the previous year of £54,137. The trustees consider the free reserve of £71,380 to be adequate for the future purposes of the church for the coming year.

Funds are 'restricted' when given for a specific purpose and generally these are disbursed before the end of the financial year. 'Designated' funds are funds designated by the managing trustees for a particular purpose, and in the interests of clarity the tangible fixed assets of the church (land, buildings, fixtures and fittings) which are not normally available for general purposes are held as designated funds. The expectation is that funds will be used for the furtherance of the Church's objectives in the year received and there are no specific investment powers. The policy is that reserves of unrestricted funds (free reserves) should normally be not less than the equivalent of 3 months' expenditure and not exceed 12 months' expenditure. Reserves are currently the equivalent of 4 months budgeted expenditure and the Deacons consider this adequate for the year ahead. Reserve funds should be readily accessible. Cash investments should be retained in high interest, instant access, bank accounts.

Property should be used to further the aims of the Church and not used for investment purposes, except for short-term letting of temporarily vacant housing.

HERTFORD BAPTIST CHURCH

Report of the Trustees and Accounts for the year ended 31 December 2016 (continued)

PLANS FOR FUTURE PERIODS

As we look to the future, we hope to extend the staff team further at Hertford Baptist Church. In 2017, we hope to appoint an Associate Pastor with responsibility for Outreach and Families ministry.

We hope to follow that up by appointing a youth worker, a children's worker and a senior's worker. In addition, we have to consider how we get the best out of our current premises and what scope there is to develop these facilities in order to further our mission of leading people into a growing relationship with Jesus Christ.

CUSTODIAN TRUSTEE

No funds are held on behalf of others as Custodian Trustee.

REFERENCE AND ADMINISTRATIVE DETAILS

Charity number: 1131979

Church office: 13/15 Chambers Street, Hertford SG14 1PL

Telephone: 01992 582951

Email: theoffice@hertfordbaptist.org.uk

Website: www.hertfordbaptist.org.uk

Bankers: Lloyds Bank plc, 1 Bircherley Street, Hertford SG14 1BU

Solicitors: Longmores, 24 Castle Street, Hertford SG14 1HP

Auditors: Cansdales, Chartered Accountants & Business Advisors,
Bourbon Court, Nightingales Corner, Little Chalfont, Bucks HP7 9QS

HERTFORD BAPTIST CHURCH

Report of the Trustees and Accounts for the year ended 31 December 2016

TRUSTEES

Senior Pastor Mr David Sunman

Associate Pastor Vacancy

The Managing Trustees when this report was approved were the Pastors named above and:

Alison Broomfield

Sarah Colligan from 19th July 2016

Caroline Davies from 19th July 2016

John Goligher Treasurer – re-elected 24th May 2016*

Nigel Hollingsworth until election as Church Secretary 24th May 2016

Nigel Hollingsworth Church Secretary – elected 24th May 2016*

Kim Hatfield

Michael Hunter until 24th May 2016

Philip Moysey

Graham Powell

Tim Strong from 24th May 2016

Debs Thompson until 24th May 2016

Mark Wakeley until 24th May 2016

Dawn Weston Secretary – retired 24th May 2016*

Carey White from 19th July 2016

*Church officers are appointed or re-appointed annually by members vote at the annual general meeting in May.

HERTFORD BAPTIST CHURCH

Report of the Trustees and Accounts for the year ended 31 December 2016 (continued)

Statement of Trustees' Responsibilities:

The Trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities 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 the incoming resources and application of resources for that period. In preparing these accounts, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the trust deed. 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.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In so far as the Trustees are aware:

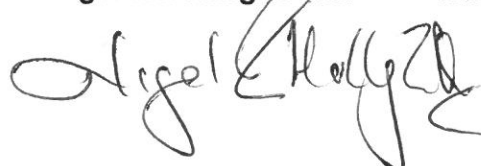
- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Approved by the Diaconate on the 9th May 2017 and signed on their behalf by:

Thomas John S Goligher Trustee



Nigel R Hollingsworth Trustee



Independent Auditor's Report to the trustees of Hertford Baptist Church

We have audited the financial statements of Hertford Baptist Church for the year ended 31 December 2016 which comprise the statement of financial activities, balance sheet and the related notes numbered 1 to 19. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's trustees, as a body, in accordance with regulations made under section 154 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement, the trustees are responsible for the preparation of financial statements which give a true and fair view.

We have been appointed as auditor under section 145 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the trustees;
- and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies, we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2016, and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Charities Act 2011.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.


CANSDALES, Statutory Auditor
Chartered Accountants & Registered Auditors

Date: 16 MAY 2017

Bourbon Court
Nightingales Corner
Little Chalfont
Bucks, HP7 9QS

Cansdales is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

HERTFORD BAPTIST CHURCH

Statement of Financial Activities for the year ended 31 December 2016

	Unrestricted Funds	Designated Funds	Restricted Funds	Total Funds 2016	Total Funds 2015	
	£	£	£	£	£	
Income from:						
Donations and legacies						
Regular Offerings	171,238	-	-	171,238	175,392	
Special Gifts & Legacies	4,037	21,478	6,115	31,630	28,614	
Thankoffering	-	12,640	-	12,640	8,074	
Gift Aid recoverable	34,496	1,611	434	36,541	38,421	
Charitable activities	1,642	-	-	1,642	3,038	
Investments - bank interest	821	-	-	821	682	
Other						
Use of property	36,936	-	-	36,936	25,380	
Repayments	250	-	-	250	1,284	
Total	249,420	35,729	6,549	291,698	280,885	
Expenditure on:						
Charitable Activities						
Local Ministry	Note 3	133,474	62,565	620	196,659	230,701
Support Costs	Note 4	23,385	-	-	23,385	21,692
Grants payable:						
National Mission	Note 5	11,884	-	2,018	13,902	10,800
World Mission	Note 5	26,406	-	8,799	35,205	30,143
Future Mission	Note 5	-	2,586	-	2,586	10,606
Thankoffering & Special	Note 5	-	14,158	-	14,158	9,205
Total	Note 6	195,149	79,309	11,437	285,895	313,147
Net Income/(expenditure)		54,271	(43,580)	(4,888)	5,803	(32,262)
Transfers between Funds		(134)	-	134	-	-
		54,137	(43,580)	(4,754)	5,803	(32,262)
Other recognised Gains/(losses):						
Actuarial gains/(losses) on defined benefit pension schemes		-	-	-	-	(49,000)
Net Movement in Funds		54,137	(43,580)	(4,754)	5,803	(81,262)
Reconciliation of funds:						
Total Funds Brought Forward						
	Notes 15, 16 & 17	17,243	2,069,615	8,967	2,095,825	2,199,087
Total Funds Carried Forward	Notes 15, 16 & 17	71,380	2,026,035	4,213	2,101,628	2,117,825

There are no recognised gains and losses other than the result for the year. All of the Church's activities are classed as continuing.

The notes numbered 1 to 19 form part of these accounts

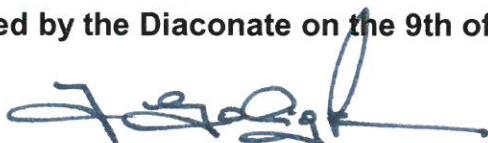
Analysis of the comparative funds in the previous year (2015) is provided in Note 10.

HERTFORD BAPTIST CHURCH

Balance Sheet at 31 December 2016

		2016	2015
	Notes	£	£
Fixed Assets:			
Tangible Fixed Assets	Note 11	1,994,802	2,054,929
Current Assets:			
Debtors	Note 12	34,241	38,863
Cash at bank and in hand	Note 13	202,645	129,490
	Total current assets	<u>236,886</u>	<u>168,353</u>
Liabilities:			
Creditors: amounts falling due within 1 year	Note 14	(10,060)	(7,457)
	Net current assets or liabilities	<u>226,826</u>	<u>160,896</u>
	Total assets less current liabilities	2,221,628	2,215,825
Creditors: amounts falling due after more than one year	Note 14	-	-
Provisions for liabilities		-	-
	Net assets or liabilities excluding pension asset or liability	<u>2,221,628</u>	<u>2,215,825</u>
Defined benefit pension scheme asset or liability		(120,000)	(120,000)
	Total net assets or liabilities	<u>2,101,628</u>	<u>2,095,825</u>
The funds of the charity:			
Unrestricted	Note 15	71,380	17,243
Designated	Note 16	2,026,035	2,069,615
Restricted	Note 17	4,213	8,967
		<u>2,101,628</u>	<u>2,095,825</u>

Approved by the Diaconate on the 9th of May 2017 and signed on their behalf



by: Thomas John Shirlaw Goligher, Trustee

The notes numbered 1 - 19 form part of these accounts

HERTFORD BAPTIST CHURCH

Notes to the accounts for the year ended 31 December 2016

1. Accounting Policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a. Basis of Preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) and in accordance with charity law applicable in the UK.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved the early adoption of the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) as amended by the Update Bulletin 1 for accounting periods beginning on or after 1 January 2016, rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has been withdrawn.

Hertford Baptist Church meets the definition of a public benefit entity under FRS 102.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

b. Preparation of the accounts on a going concern basis

The church currently has a membership of 288 and about 230 people attend one or more services on Sundays. The church relies on the continued support of the membership and others who attend services, and on their donations.

The church's individual share of liability for the shortfall in the Baptist Union's Defined Benefit Pension Scheme (closed 2011) has not yet been calculated by the Baptist Union and may be more or less than has been provided in these accounts.

On this basis these financial statements have been prepared on a going concern basis.

c. Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is more likely than not that the income will be received and the amount can be measured reliably and is not deferred.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is more likely than not that the income will be received and the amount can be measured reliably and is not deferred.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution.

Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material. No such legacies have been notified for the current (2016) or previous (2015) years.

d. Donated services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably.

On receipt, donated professional services and donated facilities are recognised on the basis of the

HERTFORD BAPTIST CHURCH

Notes to the accounts for the year ended 31 December 2016

value of the gift to the charity, which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

No such services or facilities have been donated in the current (2016) or previous (2015) years.

In accordance with the Charities SORP (FRS 102), the general volunteer time of the church members and wider church fellowship is not recognised in financial terms. Refer to the trustees' annual report for more information about their contribution.

e. Interest Receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

f. Fund Accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the church. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. In the event of the intended purpose not requiring the money such funds could be returned to general use. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the church's work or for specific projects supported by the church.

The church has no endowment funds.

g. Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. All expenditure is classified as relating to charitable activities.

These activities are further classified between:

- Local Ministry (to which all governance and support costs are attributed)
- Grants payable

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

h. Allocation of support costs

Support costs are those functions that assist the work of the church but do not directly undertake charitable activities. Support costs include office costs, payroll and other professional services and governance costs which support the church's activities. These costs have been allocated entirely to local ministry. Decisions on the awarding of grants do not incur support costs as they are made by the church members in the church meeting, based on information provided by the trustees and other members. No support staff time is attributable to the grant awarding process.

i. Operating leases

The church classifies the lease of the office printer/copier as an operating lease; the title to the equipment remains with the lessor and the equipment is replaced every 5 years while the economic life of such equipment is normally 5 years. Rental charges are charged on a straight line basis over the term of the lease.

j. Tangible fixed assets

In December 2011 all freehold land and buildings were surveyed and revalued at current market rates by Iain Davies MRICS and on the advice of the auditors values for land and buildings were assessed separately. The church and halls are shown at their fair value for realistic alternative use of £600,000. 13/15 Chambers Street, Hertford, currently used as offices and meeting rooms, are shown at the fair value assigned to them if they were to revert to residential use. Buildings improvements, fixtures, fittings and equipment costing £4,000 or more are capitalised at cost.

Freehold land is not depreciated.

Other fixed assets are depreciated over their estimated useful economic lives on a straight line basis as follows:

Freehold buildings are depreciated over 50 years following the revaluation in 2011.

HERTFORD BAPTIST CHURCH

Notes to the accounts for the year ended 31 December 2016

Fixtures, fittings and equipment are depreciated at a rate of 10% per annum.

k. Debtors

Debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid net of any trade discounts due.

l. Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening the deposit or similar account. These short term highly liquid investments are valued at the initial investment value.

m. Creditors and accruals

Creditors and accruals are recognised when the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party, and the amount due to settle the obligation can be measured or estimated reliably. Creditors and accruals are normally estimated at their settlement amount after allowing for any trade discounts due.

n. Pensions

The church currently makes payments into defined contribution schemes (the BU Pension Scheme and other pension schemes) for its employees. The amount charged to the income and expenditure account in respect of those pension costs is the contribution payable in the year.

In the past, the church made contributions to the Baptist Union's defined benefit scheme (now closed). There is a shortfall on this fund and the church's estimated share of this, at the value advised by the scheme, has been recognised as a liability.

o. Income from use of property

This income arises from letting property held primarily for functional use by the church (as manses) but temporarily surplus to operational requirements.

2. Legal Status of the Church

Hertford Baptist Church is a registered charity no. 1131979 and the church building is a registered place of worship.

3. Local Ministry

	Unrestricted 2016 £	Designated 2016 £	Restricted 2016 £	Total 2016 £	Total 2015 £
Premises	28,852	-	-	28,852	33,652
Depreciation	-	60,127	-	60,127	44,839
Ministry	34,619	-	-	34,619	75,076
Church Activities	11,824	-	197	12,021	14,303
Outreach Activities	2,584	2,438	423	5,445	3,687
Enabling Activities	55,565	-	-	55,565	59,062
Bank charges	30	-	-	30	82
	<hr/> 133,474	<hr/> 62,565	<hr/> 620	<hr/> 196,659	<hr/> 230,701
2015 totals for unrestricted, designated and restricted funds	183,810	45,428	1,463		230,701

4. Support Costs

	2016 £	2015 £
Audit fee	4,898	4,547

HERTFORD BAPTIST CHURCH

Notes to the accounts for the year ended 31 December 2016

Professional fees	4,138	3,028
Other services	-	-
Secretarial	14,349	14,117
	<hr/>	<hr/>
	23,385	21,692

Governance costs are attributed entirely to local ministry (see note 1h) and unrestricted funds in both 2015 and 2016.

HERTFORD BAPTIST CHURCH

Notes to the accounts for the year ended 31 December 2016

5. Grants for Mission

		Unrestricted 2016 £	Designated 2016 £	Restricted 2016 £	Total 2016 £	Total 2015 £
National Mission						
Baptist Home Mission (CBA)	(2)	5,800	-	1,610	7,410	5,800
Future Hope	(1)	2,500	-	-	2,500	2,500
Hertford Young Life	(1)	2,500	-	-	2,500	2,500
Others	(2)	1,084	-	408	1,492	-
		<u>11,884</u>	<u>-</u>	<u>2,018</u>	<u>13,902</u>	<u>10,800</u>
2015 totals for unrestricted, designated and restricted funds	(4)	10,800	-	-		10,800
World Mission						
BMS World Mission	(2)	5,800	-	5,949	11,749	7,604
BMS Relief Fund	(2)	400	-	1,390	1,790	1,323
Nazareth Evangelical Seminary	(1)	-	-	1,150	1,150	-
Other societies	-	-	-	-	-	630
People International (to support M & R Wall)	(1)	1,800	-	-	1,800	-
MECO (to support E Moysey)	(1)	2,061	-	-	2,061	2,061
OMF (to support A & J Curry)	(1)	9,009	-	-	9,009	9,009
Latin Link (to support W Davies)	-	-	-	-	-	1,458
Interserve (M LeRoy)	(1)	1,331	-	-	1,331	1,293
SIM (to support A & E King)	(3)	6,005	-	20	6,025	6,765
Matiza Family	(1)	-	-	290	290	-
		<u>26,406</u>	<u>-</u>	<u>8,799</u>	<u>35,205</u>	<u>30,143</u>
2015 totals for unrestricted, designated and restricted funds	(7)	26,786	-	3,357		30,143
Future Mission						
Spurgeons College	-	-	-	-	-	1,500
All Nations Christian College	-	-	-	-	-	1,500
Training Support	(1)	-	2,586	-	2,586	7,606
		<u>-</u>	<u>2,586</u>	<u>-</u>	<u>2,586</u>	<u>10,606</u>
2015 totals for unrestricted, designated and restricted funds	(3)	3,000	7,606	-		10,606
Thankoffering & Special Appeal						
Thankoffering	(3)	-	12,615	-	12,615	9,205
Special Appeal	(3)	-	1,543	-	1,543	-
		<u>-</u>	<u>14,158</u>	<u>-</u>	<u>14,158</u>	<u>9,205</u>
2015 totals for unrestricted, designated and restricted funds	(1)	-	9,205	-		9,205

26 (2015: 15) separate grants were paid out to institutions. The number of grants made in each category are disclosed above in brackets. Some single grants are paid in monthly or quarterly instalments. No support costs are apportioned to the payment of grants to Mission.

HERTFORD BAPTIST CHURCH

Notes to the accounts for the year ended 31 December 2016

6. Total Expenditure

	Staff Costs £	Premises Costs £	Other Costs £	Total 2016 £	Total 2015 £
Local Ministry	84,533	28,852	83,274	196,659	230,701
National Mission	-	-	13,902	13,902	10,800
World Mission	-	-	35,205	35,205	30,143
Future Mission	-	-	2,586	2,586	10,606
Thankoffering	-	-	12,615	12,615	9,205
Special Appeals	-	-	1,543	1,543	-
Governance	-	-	23,385	23,385	21,692
	84,533	28,852	172,510	285,895	313,147

Total expenditure was £285,895 (2015: £313,147) of which £195,149 was unrestricted (2015: £246,088) £79,309 was designated (2015: £62,239) and £11,437 was restricted (2015: £4,820).

7. Analysis of staff costs, trustee remuneration and expenses and the cost of key management personnel

	2016 £	2015 £
Stipends, Expenses & Wages	74,314	110,955
Social Security Costs	1,392	6,370
Pensions Costs	8,827	10,373
	84,533	127,698

No employees had employee benefits in excess of £60,000 (2015: nil). Pension costs are allocated to activities in proportion to the related staffing costs incurred and are wholly charged to unrestricted funds.

One pastor was remunerated £27,459 (2015 3 pastors £35,627) using scales recommended by the Baptist Union and according to the relevant agreement with the Charity Commission. 1 trustee was remunerated £12,679 (2015: 2 trustees £38,533) during the year for work not related to their roles as trustees. No charity trustee received payment for professional or other services supplied to the charity (2015: nil). During the year, phone, travel and meal expenses totalling £1,222 were reimbursed to 1 pastor and 1 trustee (2015: removal, travel and meal expenses of £4,144 to one pastor and 3 trustees). In addition, 1 pastor and 1 trustees made purchases totalling £146 on behalf of the church and were reimbursed (2015: 5 trustees, £890).

In addition to the trustees, the key management personnel of Hertford Baptist Church comprise the church office secretary and the administrators (who are employees) and the gift aid secretary, the book-keeper, the two cashiers and the youth and children's work administrator (who are volunteers). The total employee benefits of the key management personnel of the trust who are not trustees (2 individuals) were £32,868 (2015: 3 individuals, £35,527). 2 key management personnel (non-trustees) made purchases totalling £289 on behalf of the church and were reimbursed (2015: 4 key management personnel, £566).

8 Staff Numbers

Average Number of Employees

	2016 Number	2015 Number
Ministers	1	1
Pastoral Support Worker	-	1
Secretaries/Administrators (all part-time)	3	3
Cleaner (part-time)	1	1
	5	6

HERTFORD BAPTIST CHURCH

Notes to the accounts for the year ended 31 December 2016

9 Related party transactions

Close family members of the trustees and key management personnel of Hertford Baptist Church are regarded as related parties for the purposes of these accounts. The majority of these people are themselves members of the church. The book-keeper (key management personnel) is also the mother of one of the trustees.

The total amount of donations received without conditions from trustees and connected parties was £31,480 (2015 £38,359).

No expenses were paid to any related party (2015: nil). 4 people related to the trustees made purchases totalling £632 on behalf of the church and were reimbursed (2015: 4 related parties, £1,081).

No reimbursements were made to parties related to the key management personnel (2015: nil).

Payments totalling £205 were made to the husband of the church office secretary for cleaning work (2015: £2,514 for building, cleaning and decorating works) carried out by him as a contractor on behalf of the church. No Honoraria or expenses for preaching engagements were paid to any related parties (2015: expenses paid to the son of a trustee for fulfilling preaching engagements at the church £294).

10. Comparative figures (2015) for the separate classes of funds shown in total on the face of the SOFA

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total Funds 2016 £
Income from:				
Donations and legacies				
Regular Offerings	175,392	-	-	175,392
Special Gifts & Legacies	13,693	8,953	5,968	28,614
Thankoffering	-	8,074	-	8,074
Gift Aid recoverable	35,643	2,151	627	38,421
Charitable activities	2,630	-	408	3,038
Investments - bank interest	673	-	9	682
Other				-
Use of property	25,380	-	-	25,380
Repayments	1,284	-	-	1,284
Total	254,695	19,178	7,012	280,885
Expenditure on:				
Charitable activities				
Local Ministry	183,810	45,428	1,463	230,701
Support Costs	21,692	-	-	21,692
Grants payable:				-
National Mission	10,800	-	-	10,800
World Mission	26,786	-	3,357	30,143
Future Mission	3,000	7,606	-	10,606
Thankoffering & Special	-	9,205	-	9,205
Total	246,088	62,239	4,820	313,147
Net Income/(Expenditure)	8,607	(43,061)	2,192	(32,262)
Transfers between Funds	(24,591)	39,517	(14,926)	-
	(15,984)	(3,544)	(12,734)	(32,262)
Other recognised Gains/(Losses)Gains & (Losses)				
Actuarial gains/(losses) on defined benefit pension scheme	(49,000)	-	-	(49,000)
Net Movement in Funds	(64,984)	(3,544)	(12,734)	(81,262)
Reconciliation of Funds:				
Total Funds Brought Forward at 1 January 2016	82,227	2,073,159	21,701	2,177,087

HERTFORD BAPTIST CHURCH

Notes to the accounts for the year ended 31 December 2016

Total Funds Carried Forward
at 31 December 2016

17,243	2,069,615	8,967	2,095,825
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11. Tangible Fixed Assets

Cost/Valuation	Freehold Land £	Freehold Buildings £	Fixtures, Fittings & Equipment £	Total £
At 1 January 2016	468,000	1,595,220	282,229	2,345,449
Additions	-	-	-	-
At 31 December 2016	468,000	1,595,220	282,229	2,345,449
Depreciation				
At 31 December 2015	-	124,701	165,819	290,520
Charge for the year	-	31,904	28,223	60,127
At 31 December 2016	-	156,605	194,042	350,647
Net Book Value				
At 31 December 2016	468,000	1,438,615	88,187	1,994,802
At 31 December 2015	468,000	1,470,519	116,410	2,054,929

Freehold Land and Buildings

In December 2011 all freehold land and buildings were surveyed and revalued at current market rates by Iain Davies MRICS and on the advice of the auditors values for land and buildings were assessed separately. The church and halls are shown at their fair value for realistic alternative use of £600,000. 13/15 Chambers Street, Hertford, currently used as offices and meeting rooms, are shown at the fair value assigned to them if they were to revert to residential use.

The value of buildings will be depreciated over 50 years under FRS 15 following the valuation in December 2011. Fixtures, fittings and equipment are depreciated at a rate of 10% per annum on the valuation figure.

12. Debtors

	2016 £	2015 £
Other debtors	200	1,692
Income Tax Recoverable	34,041	37,171
	34,241	38,863

13. Cash at Bank and In Hand

	2016 £	2015 £
Bank Accounts	202,512	129,460
Petty Cash	133	30
	202,645	129,490

14. Liabilities

	2016 £	2015 £
Payroll liabilities	1,230	1,223
Accruals	8,830	6,234
	10,060	7,457
Creditors Due > 1 year	-	-

HERTFORD BAPTIST CHURCH

Notes to the accounts for the year ended 31 December 2016

15. Unrestricted Funds

	Balance	Movement			Pension	Balance
	1.1.16 £	Incoming £	Outgoing £	Transfers £	Liability £	31.12.16 £
General Church Funds	17,243	249,420	195,149	(134)	-	71,380

A transfer was made to restricted funds to reflect a donation by the church in addition to funds given for a specific cause.

16. Designated Funds

	Balance	Incoming £	Outgoing £	Transfers £	Gains and	Balance
	1.1.16 £				losses £	31.12.16 £
Thankoffering	547	13,701	12,615	-	-	1,633
Training Support	(834)	2,601	2,586	-	-	(819)
Other designated donations	14,973	19,427	3,981	-	-	30,419
	14,686	35,729	19,182	-	-	31,233
Tangible fixed assets	2,054,929	-	60,127	-	-	1,994,802
	2,069,615	35,729	79,309	-	-	2,026,035

The Thankoffering funds are raised each year for specific causes. The Training Support Fund supports individuals training for Christian service through full or part-time courses or on training placements. The Other designated donations were to individuals suffering hardship. The Tangible Fixed Assets Fund is set aside to represent the net book value of the property of the church.

17. Restricted Funds

	Balance	Incoming £	Outgoing £	Transfers £	Gains and	Balance
	1.1.16 £				losses £	31.12.16 £
Baptist societies	4,892	4,170	8,949	-	-	113
Others	4,075	2,379	2,488	134	-	4,100
	8,967	6,549	11,437	134	-	4,213

Baptist societies and other funds are ongoing funds held for specific societies, the majority of which are paid out in the course of the year. Transfers were made from restricted to unrestricted funds where it was determined that, in previous years, income had been allocated to restricted funds, but the associated expenditure had been treated as coming from unrestricted funds.

18. Analysis of Net Assets Between Funds

	Tangible Fixed Assets £	Net Current Assets £	Total Assets £
Unrestricted Funds (note 15)	-	71,380	71,380
Designated Funds (note 16)	1,994,802	31,233	2,026,035
Restricted Funds (note 17)	-	4,213	4,213
	1,994,802	106,826	2,101,628

HERTFORD BAPTIST CHURCH

Notes to the accounts for the year ended 31 December 2016

19. Operating lease commitments

At 31 December 2016 there were commitments under operating leases expiring in two to five years of £5,244 (2015: £2,428). None of the commitments relate to land and buildings.

Of this £5,244, £1,104 was payable not later than one year (2015: £1,387) and £4,140 was payable later than one year and not later than 5 years (2015: £1,041).

HERTFORD BAPTIST CHURCH - Summary of Accounts

Statement of Financial Activities for the year ended 31 December 2016

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total Funds 2016 £	Total Funds 2015 £
INCOME & EXPENDITURE					
Income from:					
Donations and legacies					
- Regular Offerings	171,238	-	-	171,238	175,392
- Special Gifts & Legacies	4,037	21,478	6,115	31,630	28,614
- Thankoffering	-	12,640	-	12,640	8,074
- Gift Aid recoverable	34,496	1,611	434	36,541	38,421
Charitable Activities	1,642	-	-	1,642	3,038
Activities which generate funds					
- Use of property	36,936	-	-	36,936	25,380
- Repayments	250	-	-	250	1,284
- Bank interest	821	-	-	821	682
Total	249,420	35,729	6,549	291,698	280,885
Expenditure on:					
Charitable Activities					
Local Ministry	133,474	62,565	620	196,659	230,701
Governance Costs	23,385	-	-	23,385	21,692
Grants payable:					
- National Mission	11,884	-	2,018	13,902	10,800
- World Mission	26,406	-	8,799	35,205	30,143
- Future Mission	-	2,586	-	2,586	10,606
- Thankoffering & Special	-	14,158	-	14,158	9,205
Total	195,149	79,309	11,437	285,895	313,147
Net Income/(expenditure)	54,271	(43,580)	(4,888)	5,803	(32,262)
Transfers between funds	(134)	-	134	-	-
	54,137	(43,580)	(4,754)	5,803	(32,262)
Actuarial Gains/(losses) on defined benefit pension scheme	-	-	-	-	(49,000)
Net Movement in Funds	54,137	(43,580)	(4,754)	5,803	(81,262)
Total Funds brought forward at 1/1/15	17,243	2,069,615	8,967	2,095,825	2,199,087
Total Funds carried forward at 31.12.15	71,380	2,026,035	4,213	2,101,628	2,117,825

Balance Sheet at 31 December 2016

	2016 £	2015 £
Fixed Assets		
Tangible Fixed Assets	1,994,802	2,054,929
Current Assets		
Debtors	34,241	38,863
Cash at bank & in hand	202,645	129,490
Liabilities		
amounts falling due within 1 year	(10,060)	(7,457)
Net Current Assets	226,826	160,896
Defined benefit pension scheme net asset or liability	(120,000)	(120,000)
Net Assets	2,101,628	2,095,825
Funds		
Unrestricted	71,380	17,243
Designated	2,026,035	2,069,615
Restricted	4,213	8,967
	2,101,628	2,095,825