

**LEITH BAPTIST CHURCH
(SC010981)**

FINANCIAL STATEMENTS – YEAR ENDED 30 SEPTEMBER 2022

REPORT OF THE TRUSTEES

These accounts have been prepared in accordance with the terms of the Charities and Trustee Investment (Scotland Act) 2005 and the Charities Accounts (Scotland) Regulations 2006

Governing Document and Organisational Structure

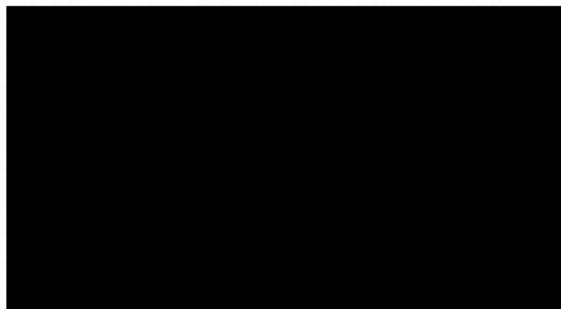
The Church is established by constitution and is a registered charity in Scotland (SC010981). The church is also registered with HMRC as a Charity under reference number PY 1420366/CR 33881. The address of the Church is 27-29 Madeira Street, Leith, Edinburgh, EH6 4AJ. There are no restrictions on the way in which the Church may operate as a Charity.

During the year to 30 September 2022, the Church applied to OSCR to become a Scottish Charitable Incorporated Organisation (SCIO). The application was approved and Leith Baptist Church SCIO, registered charity SC051916, was incorporated on 5th August 2022. All assets and liabilities of Leith Baptist Church were transferred to Leith Baptist Church SCIO at the close of business on 30 September 2022 (utilising the merger accounting provisions set out in Section 27 of the Charities SORP). Leith Baptist Church, registered charity SC010981 will be dissolved following the completion of the transfer, the closure of its bank accounts and formal confirmation by OSCR.

Objectives and Leadership

The Aim of the Church, which is affiliated to the Baptist Union of Scotland, is to promote the Gospel of Jesus Christ, through relationship to God, each other and the community, both at home and worldwide.

The Church is congregational in policy and its day-to-day running is undertaken by the Senior Leadership Team (SLT) who are all appointed by the Church. They are as follows:



The members of the Senior Leadership Team are "Trustees" in terms of the Charities and Trustee Investment (Scotland Act) 2005 and the Charities Accounts (Scotland) Regulations 2006.

Activities, Achievements and Performance

The year to September 2022 was a year of change for the church. Following the departure of our Senior Pastor Rev [REDACTED] in July 2021, our Community Pastor Rev [REDACTED] agreed to take on a number of additional responsibilities and in autumn 2021 was effectively acting Minister while the church and the leadership were seeking God as to the way forward. It was agreed that our priority was not to seek a new minister immediately but to continue our plans to review and refresh our leadership processes and appoint a new Senior Leadership Team (SLT). This was completed in October 2021 with the appointment of five new Deacons who joined the existing four Elders on the SLT and also became Trustees.

The SLT set up two sub-groups to consider the possible sale of the church manse and to pursue the process of the church changing its legal status from a UVA to a SCIO as agreed at the AGM back in 2019. A decision was made by the church to sell the manse and this was completed in July 2022. As noted above the church has now become a SCIO with a formal transfer date of 30 September 2022.

During the year, we have had many encouragements and we have seen a number of new people from the local area coming along to the church. Our toddlers group is flourishing again and is meeting two mornings a week with around 30 children attending on both days. Remarkably our 'Mornings of Grace' devotionals which started in March 2020 are still running on weekday mornings from 8-8.30am. We continue to have a monthly Joint Branch Group on the first Wednesday of each month where the whole church meets together. Recently we have launched new small groups on the second and fourth Wednesday's and a Revival Prayer meeting on the 3rd Friday of the month. We have also enjoyed joint prayer events with other local Baptist churches and continue to participate in various events organised by the Baptist Union of Scotland most notably the 'Canopy' gathering in the summer.

Members of our new SLT participated in the final two sessions of Lead Academy (leadership development programme run by the Baptist Union) which took place in May and November 2022. We have found this very beneficial for our leadership team.

During 2022, we noted the growing development and contribution of Pastor [REDACTED] and to the ministry and leadership of the church and he was formally accredited by the Baptist Union of Scotland in May 2022. In December 2022, the church voted overwhelmingly to appoint Rev [REDACTED] as our Minister.

Financial Review

The Accounts for the year to September 2022 show average weekly offerings of £1,142 (2021 - £1,268). General expenses £20,666 (2021 - £17,865) accounted for 35% (2020 - 27%) of regular income and the remainder was used to support ministries, other charities (including the Baptist Union of Scotland) and to help individuals in need.

Income for the year is down in comparison to the previous year. This is mainly due a decline in attendance and membership during the covid period. Online giving has increased and there have been a few new gift aid declarations.

The increase in expenses is due to the increasing use of the church building following the relaxation of covid restrictions at the beginning of 2022. Salary cost have fallen as the comparative figures include the salary relating to our previous Senior Pastor until July 2021.

The major financial transaction in the current accounting period was the sale of the manse. The property was sold at the height of the market with a resultant gain on sale in excess of £400,000. The leadership team and the church have designated the majority of the net sale proceeds to be used for capital related projects and set up an unrestricted designated fund for this purpose. This replaces the old Building Fund which had a balance of £9 and was closed during the year.

The church leadership keep cash flow under regular review as there can often be fluctuations in income due to one-off gifts and unexpected expenditure (e.g., church maintenance costs) during the year. The liquidity position of the church has been hugely impacted by the proceeds from the sale of the manse with cash balances of £545,000 at the end of the financial year.

Risk management

The major risk currently facing the church activities and finances over the last two years has been the effect and uncertainty of the coronavirus pandemic. Sadly, we did lose a few church members over the last two years and it was difficult to fully know the level of commitment and engagement of some, especially those that were on the fringes of the fellowship. However, since the beginning of 2022, we have re-established our Toddlers group and we have seen a number of new people from the local area attending regularly. We believe we are now coming into a period of growth and are very encouraged by the formal appointment of Rev [REDACTED] as our Minister.

The SLT (our Trustees) have responsibility for evaluating and monitoring the major risks faced by the Church and to take care to ensure that these risks are mitigated. The Trustees continue to be updated on key legislative changes by the Baptist Union of Scotland (BUS) who also provide guidance in areas where policies are required e.g., Child Protection; GDPR; etc. The leadership team received Safeguarding training in the autumn of 2022 and are

in the process of updating the church safeguarding policy. The various activities of the Church are principally the responsibility of ministry teams, overseen by the leadership, whose members have the experience and understanding of their area of ministry and are offered opportunities for training where this is available and relevant.

Plans for the Future

As discussed above, the reporting period 2021-22 was a significant time of change. We now believe that, having dealt with a number of major administrative and structural changes, we will see growth in numbers and spiritual maturity within the fellowship. We look forward to seeing how God leads us forward in both discipleship and ministry and how we can make a positive impact on our neighbours in the community of Leith and Edinburgh.

We continue to evaluate the value of live-streaming our services and also need to give consideration to the deficiencies of our current church building. We will also dissolve the old Leith Baptist Church UVA later in 2023.

In addition to the above, it is our expectation that church members will continue to take up responsibilities for new areas of ministry which is in line with our belief in the priesthood of all believers and the importance of the whole church body functioning effectively. The specific activities of the church are continuously under review by the leadership and change and evolve in response to changes in membership, resources, the various communities we serve and always in response to God's leading in accordance with Scripture.

Trustee Remuneration

As shown in note 3, the only trustee receiving remuneration from the church during the year was our Pastor, [REDACTED].

Reserves policy

The Trustees are conscious of the need to maintain reserves sufficient to enable us to pay debts as they fall due whilst not accumulating more funds than are necessary.

The Church's Bankers are the Bank of Scotland, The Mound, Edinburgh EH1 1YZ.

The Church's Solicitors are Diakoneo Legal Services Limited, 48 Speirs Wharf, Glasgow, G4 9TH.

The Church's Independent Examiner is [REDACTED] McLachlan + Tiffin, Clifton House, Craigard Road, Crieff, PH7 4BN.

Statement of Trustees' Responsibilities

Charity law requires the trustees to prepare financial statements for each financial year which show a true and fair view of the state of affairs of the charity and its financial activities for that period. In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operational existence.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and which enable them to ensure that the financial statements comply with the Charities Accounts (Scotland) Regulations 2006 and all other relevant legislation. They also have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Approved by the Trustees and signed on their behalf,

A black rectangular box redacting the signature of the trustee.

On behalf of the Trustees on 14th April, 2023

Leith Baptist Church		Statement of Financial Activities					
Year ended 30 September 2022		Restricted Funds		Unrestricted Funds			
		Buildings	Property	General	2022	2021	
		£	£	£	£	£	
Incoming Resources							
Incoming resources from generated funds							
Voluntary income							
General offerings				15,618	15,618	11,814	
Gift Aid / Small donations				43,760	43,760	54,120	
Tax recovered				11,174	11,174	13,937	
Special offerings				1,208	1,208	2,547	
Other income				150	150	100	
Gain on sale of manse				413,297	413,297	0	
Investment income				0	0	0	
Total Incoming Resources		0	0	485,207	485,207	82,518	
Resources Expended							
Charitable activities							
Salary and pension				36,557	36,557	60,010	
General expenses		0		20,246	20,246	17,445	
Support and gifts to other Ministries				3,240	3,240	3,340	
Mission activity				361	361	453	
Special offerings				1,697	1,697	2,532	
Governance costs				600	600	420	
Total Resources Expended		0	0	62,701	62,701	84,200	
Net incoming/outgoing resources		0	0	422,506	422,506	(1,682)	
Transfers between funds		(9)	518,069	(518,060)	0	0	
Total funds brought forward		9	0	235,388	235,397	237,079	
Total funds carried forward		0	518,069	139,834	657,903	235,397	

LEITH BAPTIST CHURCH**BALANCE SHEET AS AT 30 SEPTEMBER 2022**

	<u>2022</u>	<u>2021</u>
	£'s	£'s
FIXED ASSETS (Note 2)	110,000	220,000
CURRENT ASSETS		
Petty Cash	30	30
Cash at Bank – Business a/c	27,450	9,826
Cash at Bank – Treasurer a/c	518,069	9
Debtors: Tax receivable gift aid	2,754	5,752
Social Action Fund	<u>200</u>	<u>200</u>
	548,503	15,817
CURRENT LIABILITIES		
Accruals	<u>600</u>	<u>420</u>
	600	420
NET CURRENT ASSETS	547,903	15,397
LONG TERM LIABILITIES	0	0
NET ASSETS	<u>657,903</u>	<u>235,397</u>
	=====	=====

FINANCED BY:

CAPITAL ACCOUNTS		
General Reserve		
At beginning of year	235,388	237,070
Transfer from building fund	9	0
Transfer to property fund	(518,069)	
Surplus/(Deficit) for year	<u>422,506</u>	<u>(1,682)</u>
	139,834	235,388
Building Fund (Note 4)	0	9
Designated Property Fund (Note 5)	518,069	0
	<u>657,903</u>	<u>235,397</u>
	=====	=====

The above accounts are authorised and approved by the Senior Leadership Team of Leith Baptist Church (the Trustees)



Convenor of Finance Group
14th April, 2023

LEITH BAPTIST CHURCH

NOTES TO ACCOUNTS

1. ACCOUNTING BASIS AND POLICIES

The accounts have been prepared on a historic cost basis in accordance with Accounting and Reporting by Charities SORP 2005 and the Financial Reporting Standards for Small Enterprises and with Charity Law.

- a) All voluntary income, (offerings and donations), is accounted for when the charity has unconditional entitlement to the income.
- b) Tax recovered on Gift Aid Donations and Small Donations is accounted for at the same time as the gift to which it relates.
- c) Bank Interest is accounted for when receivable or payable.
- d) Tangible fixed assets comprise two properties. They are valued at the lower of cost or valuation at the date of purchase as set out in note 2 below. No depreciation is charged on land or buildings.
- e) Liabilities are accounted for when there is a legal or constructive obligation committing the charity to pay out resources.

2. TANGIBLE FIXED ASSETS

Tangible Fixed Assets are made up as follows:

	<u>2022</u> £'s	<u>2021</u> £'s
Church - 27/29 Madeira Street	110,000	110,000
Manse - 160 Granton Road	<u>0</u>	<u>110,000</u>
	110,000	220,000
	=====	=====

The Trustees have retained the long-standing accounting value of the land element of the church property at £110,000, being a conservative approximation of open market value.

The Church Manse (160 Granton Road) was sold during the year. The sale was concluded on 25th July 2022 with net sale proceeds received of £523,297. The resultant gain on sale of £413,297 has been shown as a separate income line in the Statement of Financial Activities.

3. REMUNERATION

Remuneration to the Trustees (excluding ministers) and Independent Examiner is as follows:

	2022 £	2021 £
Trustees	Nil	Nil
Independent Examiner	600	420

Remuneration to full-time minister (Rev A Barbosa) during the year amounted to £34,027.

The average number of paid workers in 2022 was 1 (2021 - 2).

4. BUILDING FUND

	£
Balance at 30 September 2021	9
Transfers to general account	(9)
Expenditure	0
Balance at 30 September 2022 - closed	<u>0</u>
	=====

5. Designated Property Fund

	£
Balance at 30 September 2021	0
Transfers from general account	518,069
Balance at 30 September 2022	<u>518,069</u>
	=====

**Independent examiner's report on the accounts of
Leith Baptist Church**

Report to the
trustees/members of

**Registered charity
number** SC 10981

On the accounts of the
charity for the period

Period start date				Period end date		
Day	Month	Year		Day	Month	Year
01	10	2021	to	30	09	2022

Set out on pages

1 to 9

**Respective
responsibilities of
trustees and examiner**

The charity's trustees are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) 2005 Act and the Charities Accounts (Scotland) Regulations 2006. The charity trustees consider that the audit requirement of Regulation 10(1) (d) of the Accounts Regulations does not apply. It is my responsibility to examine the accounts as required under section 44(1) (c) of the Act and to state whether particular matters have come to my attention.

**Basis of independent
examiner's statement**

My examination is carried out in accordance with Regulation 11 of the Charities Accounts (Scotland) Regulations 2006. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts and seeks explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and, consequently, I do not express an audit opinion on the accounts.

**Independent examiner's
statement**

In the course of my examination no matter has come to my attention

1. which gives me reasonable cause to believe that in any material respect the requirements:
 - to keep accounting records in accordance with section 44(1) (a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations, and
 - to prepare accounts which accord with the accounting records and comply with Regulation 9 of the 2006 Accounts Regulations

have not been met, or

2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Signed:

Date: 14 April 2023

Name:

Relevant professional
qualification(s) or body
(if any):

McLachlan+Tiffin
Chartered Accountants and Statutory Auditors

Address:

Clifton House
Craigard Road
Crieff
PH7 4BN