

## **Luton Friendship Homecarers. (LFH) A brief introduction and summary of financial history**

**2000-2020.**

### **Historical background**

Luton SDA Church has a long history of community service going back to the late 60's and early 70's. During the 1990s they had worked with Luton Council to provide care in the community. To give a legal structure to this work, the company was created on 14<sup>th</sup> April 2000, and registered as a charity No. 1081256 on 26 June 2000.

### **Constitution**

LFH is a 'limited by guarantee company' incorporated under the Companies Act and a Registered Charity.

The constitution (Articles and Memorandum of Association) was adopted at a full church business meeting, and the company was setup by the church board. It was envisaged that the charity would "belong" to the Luton SDA church, but with safeguards such that if the charity got into difficulties, and/or strayed from the principles of the church, the SEC and others could step in with assistance and some strong advice if necessary.

For this reason, those having the right to be members of the company was defined (clause 4) as:

- a. Every member of the board of the Luton Seventh-day Adventist Church for so long as s/he shall continue to occupy such position.
- b. Every member of the Executive Committee of the South England Conference of Seventh-day Adventists for so long as they shall continue to occupy such position.
- c. Every member of the Board of Trustees of the Company who shall not otherwise qualify for membership.
- d. The President of the British Union Conference of Seventh-day Adventists for so long as he shall continue to occupy such position.
- e. The pastor of the Luton Seventh-day Adventist Church as appointed by the South England Conference of Seventh-day Adventists for so long as he shall occupy such position.

Those persons having the right to be members must formally apply to be members and sign the guarantee before they can exercise the privileges as members. (Clause 3 & 4 of the Articles).

The list of eligible members needs to be read in conjunction with the permitted/proscribed composition of the Board of Trustees.

### **Board of Trustees - Guidance on selection of trustees:**

Minimum of 3 and a maximum of 10 (Clause 30 of the Articles)

- a. The Pastor of the Luton Seventh-day Adventist Church who shall act as Chairman
- b. The Treasurer of the Luton Seventh-day Adventist Church
- c. The Chief Executive of the Company, provided that the Trustees agree it is reasonable and necessary in the interests of the Company for him to be a Trustee of the Company.

- d. Two persons nominated by the Executive Committee of the South England Conference of Seventh-day Adventists.
- e. Three persons nominated and elected by the members of the Company.

All of the trustees both have the right to be members and are required to become members.

The Articles of the company cannot, of course, require any person to take up their appointment, or for the SEC to appoint Trustees. The articles also do not require the entire executive board of the SEC or the Luton SDA church board to take up their right to be members of the company and sign a member's guarantee. Indeed, it was never actually envisaged that this would happen, just that these rights would act as a safeguard.

In fact, what has happened is that the members of the company have mostly been the pastor of Luton Church, and the trustees.

The job of a trustee was and is critical and requires a commitment of time. It has proved difficult to find people with the necessary skills and expertise who are willing and able to commit time to the role of trustee.

The job is entirely voluntary; the trustees (other than the Chief Executive who is appointed by the other trustees) receive no remuneration.

#### **Further Information about LFH**

The charity has submitted reports to the Charity Commission annually. Further information can be found at <https://register-of-charities.charitycommission.gov.uk/charity-search/-/charity-details/3971397/charity-overview>

#### **Financial History**

Prior to 2000AD the activity of Luton Friendship Homecarers was undertaken with an informal structure, resources of over £20,000 were transferred from this informal entity to the charity and the first year of the charities operation resulted in a healthy surplus. Regrettably in 2002 and 2003 there were operating deficits, and in 2003 the charity had severe cash flow difficulties. The chief executive resigned, and the Community Services leader from the SEC provided management advice and thereafter the charity prospered. Over the years the Trustees have managed the charity successfully and established the necessary financial resources to enable it to prudently manage its activities. The objective of acquiring their own premises and holding resources equivalent to three months wages has been achieved. The charity purchased its previously rented offices in 2015 and in 2018 had net current assets of £276,392.

	Period Ended	Net Resources	Income	Surplus /Deficit
<b>Year To</b>	30/09/2001	£46,739		
	30/09/2002	£24,426		-£22,313
	30/09/2003	£19,563		-£4,863
	30/09/2004	£118,971		£99,408
	30/09/2005	£177,729	£513,345	£58,758
	30/09/2006	£188,933	£585,599	£11,204
	30/09/2007	£255,491	£779,111	£66,558
	30/09/2008	£262,500	£883,353	£7,009
	30/09/2009	£166,532	£816,326	-£95,968
	30/09/2010	£233,605	£920,443	£67,071
	30/09/2011	£249,233	£843,360	£15,629
	30/09/2012	£247,527	£881,053	£1,707
	30/09/2013	£254,517	£753,996	£6,991
Six Months	31/03/2014	£260,997	£306,003	£6,481
<b>Year To</b>	31/03/2015	£282,264	£772,568	£21,266
	31/03/2016	£320,846	£827,345	£38,583
	31/03/2017	£375,540	£971,060	£54,693
	31/03/2018	£427,473	£1,002,202	£51,934
	31/03/2019	£441,024	£974,239	£13,553
	31/03/2020	£460,392	£953,679	£19,369

### Auditing of accounts

In line with charity law requirements, the LFH accounts are examined annually. Our examiners are Colledge Redfern - <https://www.colledgeredfern.com> who are members of the ACCA.

### NB

This document was first drafted in October 2019 and updated January 2021.