

**GRACE BAPTIST
CHARITIES LIMITED**

**FINANCIAL STATEMENTS
FOR THE
YEAR ENDED 31 DECEMBER 2021**

**Company number: 00096055
Charity number: 1172489**

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REPORT OF THE DIRECTORS FOR THE
YEAR ENDED 31 DECEMBER 2021

Objectives and Activities

The company acts as a corporate trustee of charitable trusts, and acts as custodian trustee for a number of churches. The company also receives loans from churches and charitable trusts, and assists some churches and trusts through the provision of loans and other advances.

The directors confirm that they have had due regard to the guidance issued by the Charity Commission on public benefit. In particular the role as trustees for churches and the provision of grants and loans from trust funds towards the stipend costs of pastors and the maintenance of church buildings contribute to the provision of churches and worship services.

Achievements and Performance

The company continued to support churches with major building redevelopment schemes through loan funding and advice.

The company issued £114,070 to twelve churches in grants from trust funds it manages. These were for building repairs, support for ministers, building projects and training. The company did not distribute any restricted funds this year (2020: £NIL). Interest of £40,420 was distributed to churches and trusts for charity loan balances held.

Financial Review

The Ethical Investment Policy for the portfolio of investments managed by Investec Wealth & Investment Limited was reviewed in 2021. The performance was also monitored through the year and reported to the Board of Directors. This portfolio represents monies held on behalf of the Association of Grace Baptist Churches (South East), "AGBC(SE)" and trusts for which the company is trustee.

During the year, loans from churches and trusts (included in creditors) increased by £162,378. This is mainly due to additional investment by churches. Loans to churches and trusts (included in debtors) increased by £127,145. This is mainly due to an additional loan to a retirement trust towards the purchase of a share in a retirement property. In addition, the investment property was sold just prior to year end and the proceeds of £1.3m had not yet been invested. The net effect is an increase in cash balances of £1,299,086.

The current Covid-19 crisis has not materially impacted the activities of the Company other than a reduction in interest rates offered by the banks on funds held with them. The Company has reduced the interest rates offered and charged to Churches and Trusts to compensate for the reduction in bank interest income.

Reserves policy

The company regularly generates a surplus from account and property management charges and the directors have a policy of distributing any surplus funds each year by way of a grant to AGBC(SE). The Company Secretary, Finance Officer and other administrative staff are employed by the Association. The directors have agreed it is appropriate to build a small reserve to cover future repairs and maintenance for the property owned by the company prior to that it was not felt necessary to retain reserves in the company, other than the revaluation reserve.

In the opinion of the directors, the state of the company's affairs is satisfactory.

**REPORT OF THE DIRECTORS FOR THE
YEAR ENDED 31 DECEMBER 2021**

(continued)

Fundraising

In recent years, the company has limited its fund-raising activities to discussion at meetings of Trustees and members around budgets and comparison of actual outturn versus budget. The company does not employ outside or commercial fund-raisers, and does not make appeals for funds beyond its members. The company has not subscribed to any fund-raising regulator.

Future Plans

The company continued to support the remaining two current redevelopment schemes through 2021 and into 2022 to support other churches through the provision of trust grants. The company is continuing its rationalisation programme to seek to reduce the number of managed trusts by merging trusts with similar objectives or distributing small trusts where the annual income is below £1,000.

Structure, Governance and Management

The company was incorporated under its Memorandum and Articles dated 13 December 1907. In the event of the company being wound up, the members are each required to contribute an amount not exceeding 25 pence. The directors of the company are the officers and members of the Executive Committee of the Association of Grace Baptist Churches (South East), provided that not more than one-half of such members are pastors of associated churches. No maximum number of directors is specified in the Memorandum and Articles.

Trustees' training

Trustee training courses are made available to the directors each year and Charity Commission updates are reported at Association Committee Meetings to keep directors informed of current issues and changes in legislation etc.

Investment policy

The directors exercise the investment powers of the individual churches and trusts in accordance with the powers and policies of the churches and trusts. The company's own investments are made in accordance with the investment powers contained within the Trustee Act 2000.

Risk Management

The directors have assessed the principal risks to which the company is exposed, in particular those related to the operations and finance of the company and are satisfied that procedures are in place to mitigate its exposure to them. A risk register is in place and is reviewed on a regular basis.

Risks identified include non-compliance with charity law; liquidity (mitigated by loan terms in place with churches etc.; spread of investments; review of property holding) and loss of data and systems (mitigated by contracting with external supplier of I.T. support and off site backups).

Grant making policy

The company does not make grants from company funds, other than payments to the beneficiary churches under the legacy funds. These grants are issued in accordance with the terms of the legacies. Where the Board makes grants from the trusts for which it is the trustee, the grants are made in accordance with the terms of the individual trusts.

REPORT OF THE DIRECTORS FOR THE
YEAR ENDED 31 DECEMBER 2021
(continued)

Reference and Administrative Details

The directors who served the company for the whole or any part of the year were as follows:

Chairman: A Creedy
C J Clarkson (Treasurer)
A A Ottley
A Gardner
D J Mortimer
A King

Miss M O' Mara
J G Miller
P M Woodley

Company Secretary:
Finance Officer:

J Green (Resigned Nov 2021) (A Gardner from Dec 2021)
A M Gardner

The Company Secretary, who is employed by AGBC(SE), has delegated authority to authorise routine and planned maintenance for trust, Association and church properties within an annual budget. The budget is approved by the Board in November for the following year.

Registered office: 62 Bride Street, London, N7 8AZ

The principal advisers of the company are as follows:

Auditors: Jacob Cavenagh & Skeet, 5 Robin Hood Lane, Sutton,
Surrey SM1 2SW

Principal Bankers CAF Bank Limited, 25 Kingshill Avenue, Kingshill, West
Malling, Kent ME19 4JQ
Ipswich Building Society, PO Box 547, Ipswich, Suffolk,
IP3 9WZ

Principal Investment Managers: Investec Wealth and Investment Ltd, 2 Gresham Street,
London EC2 7QP

Principal Solicitors Carter, Lemon Camerons LLP, 10 Aldersgate Street,
London, EC1A 4HJ
Edward Connor Solicitors, 10 The Point, Market
Harborough, LE16 7QU

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

BY ORDER OF THE BOARD

C. J Clarkson
Director
4th July 2022



STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors (being trustees of the charitable company) are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the incoming resources, including the income and expenditure, of the company for that period. In preparing those financial statements, the directors are required to:

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

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable it to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors who held office at the date of approval of this Annual Report, as set out above each confirm that:

- so far as they are aware, there is no relevant audit information (information required by the charity's auditor in connection with preparing their report) of which the charity's auditors are unaware; and
- the directors have taken all the steps they ought to have taken in order to make themselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

62 Bride Street
London
N7 8AZ

BY ORDER OF THE BOARD



Director of
Grace Baptist Charities Limited
4th July 2022

REPORT OF THE INDEPENDENT AUDITOR
TO THE MEMBERS OF
GRACE BAPTIST CHARITIES LIMITED
(BY GUARANTEE)

Opinion

We have audited the financial statements of Grace Baptist Charities Ltd (the 'charity') for the year ended 31 December 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2021 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Charity's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, including the directors' report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Trustees' Report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the Trustees' Report has been prepared in accordance with applicable legal requirements.

**REPORT OF THE INDEPENDENT AUDITOR
TO THE MEMBERS OF
GRACE BAPTIST CHARITIES LIMITED
(BY GUARANTEE)
(continued)**

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included with the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the trustees' (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the company, we identified that the principal risks of non-compliance with laws and regulations related to charity legislation and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and Charities Act 2011.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by making enquiries of management, considering the internal controls in place and discussion amongst the engagement team.

We determined that the principal risks were related to management bias in accounting estimates including valuation of investment property and management override of controls and the mis-statement of property transactions or loan balances.

In response to the risks identified we designed procedures which included, but were not limited to challenging significant accounting estimates, evaluating the company's internal controls, and verifying property transactions and loan balances with third parties.

**GRACE BAPTISTS CHARITIES LIMITED
(BY GUARANTEE)**

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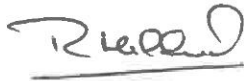
**REPORT OF THE INDEPENDENT AUDITOR
TO THE MEMBERS OF
GRACE BAPTIST CHARITIES LIMITED
(BY GUARANTEE)
(continued)**

There are inherent limitations in the audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and regulations made under that Act. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' 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 charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.



R I Haffenden MA (Cantab) FCA (Senior Statutory Auditor)
for and on behalf of Jacob Cavenagh & Skeet,
Statutory Auditor
Chartered Accountants

5 Robin Hood Lane,
Sutton,
Surrey
SM1 2SW

Dated: 19 July 2022

STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2021

	<i>Note</i>	Unrestricted Fund £	Restricted Fund £	2021 Total Funds £	2020* Total Funds £
Income and endowments from:					
Charitable activities	2.1	68,509	-	68,509	58,147
Investments	2.2	40,028	1,843	41,871	44,982
		<u>108,537</u>	<u>1,843</u>	<u>110,380</u>	<u>103,129</u>
Expenditure on:					
Raising funds	3.1	5,887	-	5,887	6,139
Charitable activities	3.2	104,773	10,040	114,813	89,481
Total expenditure		<u>110,660</u>	<u>10,040</u>	<u>120,700</u>	<u>95,620</u>
Net (deficit) / income before net gains on investments		(2,123)	(8,197)	(10,320)	7,509
Net gains on investments					
Realised gain		172,665	-	172,665	-
Unrealised gains on investments		8,431	-	8,431	74,798
		<u>181,096</u>	<u>-</u>	<u>181,096</u>	<u>74,798</u>
Net income and Net movement in Funds		178,973	(8,197)	170,776	82,307
Reconciliation of funds:					
Funds brought forward		321,517	159,954	481,471	399,164
Funds carried forward	10	<u>500,490</u>	<u>151,757</u>	<u>652,247</u>	<u>481,471</u>

No operations were acquired or discontinued during the year.

***Prior year analysis:**

	<i>Unrestricted Fund £</i>	<i>Restricted Fund £</i>	<i>2020 Total funds £</i>
Income and endowments from:			
Charitable activities	58,147	-	58,147
Investments	42,830	2,152	44,982
Total income and endowments	<u>100,977</u>	<u>2,152</u>	<u>103,129</u>
Expenditure on:			
Raising funds	6,139	-	6,139
Charitable activities	89,441	40	89,481
Total expenditure	<u>95,580</u>	<u>40</u>	<u>95,620</u>
Operating surplus	5,397	2,112	7,509
Net gains / (losses) on investments			
Unrealised gains / (losses) on investments	74,798	-	74,798
Net income and Net movement in Funds	80,195	2,112	82,307
Reconciliation of funds:			
Funds brought forward	241,322	157,842	399,164
Funds carried forward	<u>321,517</u>	<u>159,954</u>	<u>481,471</u>

BALANCE SHEET
AT 31ST DECEMBER 2021

		2021		2020	
	Note	£	£	£	£
Fixed assets					
Investments	4		172,699		1,291,603
Current assets					
Debtors (including £846,916 (2020: £715,439) due in more than one year)	5	850,969		724,401	
Investments	6	159,078		158,399	
Cash at Bank		<u>2,493,697</u>		<u>1,195,290</u>	
Total Current assets		<u>3,503,744</u>		<u>2,078,090</u>	
Creditors: Amounts falling due within one year	7	<u>(2,369,643)</u>		<u>(2,161,450)</u>	
Net current assets/(liabilities)			<u>1,134,101</u>		<u>(83,360)</u>
Total assets less current liabilities			1,306,800		1,208,243
Creditors: Amounts falling due after one year	8		(654,553)		(726,772)
Total net assets	10		<u>652,247</u>		<u>481,471</u>
The funds of the charity:					
Unrestricted funds			464,154		26,277
Revaluation Reserve (unrestricted)			<u>36,336</u>		<u>295,240</u>
Total Unrestricted Fund			500,490		321,517
Restricted income funds	10		<u>151,757</u>		<u>159,954</u>
Total funds			<u>652,247</u>		<u>481,471</u>

These financial statements have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006 and were approved by the Board on 4th July 2022 and signed on their behalf by:



C. J. Clarkson

Company registration number: 00096055

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

		<i>2021</i>	<i>2020</i>
		<i>Total Funds</i>	<i>Total Funds</i>
		<i>£</i>	<i>£</i>
Statement of cash flows:			
Cash flows from operating activities:			
Net cash provided by (used in) operating activities	A	<u>(37,781)</u>	<u>(95,839)</u>
Cash flows from investing activities:			
Dividends, interest and rent from investments		36,867	36,990
Proceeds from sale of investments		1,300,000	-
Purchase of investments		<u>(679)</u>	<u>(990)</u>
Net cash provided by (used in) investing activities		<u>1,336,188</u>	<u>36,000</u>
Change in cash and cash equivalents in the reporting period		1,298,407	(59,839)
Cash and cash equivalents at the beginning of the reporting period		<u>1,195,290</u>	<u>1,255,129</u>
Cash and cash equivalents at the end of the reporting period	B	<u>2,493,697</u>	<u>1,195,290</u>

Table A - Reconciliation of net income / (expenditure) to net cash flow from operating activities:

	<i>2021</i>	<i>2020</i>
	<i>£</i>	<i>£</i>
Net income / (expenditure) for the reporting period (as per the statement of financial activities)	170,776	82,307
Gains on investments	(181,096)	(74,798)
Dividends, interest and rent from investments	(36,867)	(36,990)
(Increase) in debtors	(126,568)	(56,861)
Increase / (decrease) in creditors	<u>135,974</u>	<u>(9,497)</u>
Net cash provided by (used in) operating activities	<u>(37,781)</u>	<u>(95,839)</u>

Table B - Analysis of cash and cash equivalents:

Cash in hand	2,447,808	1,149,561
Notice deposits (less than 3 months)	<u>45,889</u>	<u>45,729</u>
Total cash and cash equivalents	<u>2,493,697</u>	<u>1,195,290</u>

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2021

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) Accounting convention

The financial statements have been prepared under the Companies Act 2006 and in accordance with the Charities Statement of Recommended Practice (Charities SORP (FRS 102)) and Financial Reporting Standard 102 (FRS 102). The financial statements are drawn up on the historical cost basis of accounting, as modified by the revaluation of investment properties. The financial statements are prepared in pounds sterling rounded to the nearest pound.

Grace Baptist Charities Limited meets the definition of a public benefit entity under FRS 102. It is a charitable company limited by guarantee with registered office of 62 Bride Street, London, N7 8AZ.

(b) Going concern

There are no material uncertainties about the charity's ability to continue its operations for the foreseeable future.

(c) Income

Loan interest receivable, interest payable on deposits, Rental income and management charges are recognised on an accruals basis.

Voluntary income including legacies is accounted for once the charity has entitlement to the income, it is probable the income will be received and the amount of income receivable can be reliably measured.

(d) Expenditure

All expenditure is included on an accruals basis. Charitable expenditure comprises all expenditure directly related to the objects of the charity. This includes governance costs which represent the cost of compliance with constitutional and statutory requirements.

(e) Investments

Investment properties are stated at market value at the balance sheet date. Any gain or loss on revaluation is taken to the Statement of Financial Activities. The directors review the value of investment properties annually and re-value the property at market value every five years. Any gain or loss on revaluation is taken to the Statement of Financial Activities.

In accordance with Section 16 of FRS 102, no depreciation is provided on investment properties. This departure alone from the requirements of the Companies Act 2006 is required to achieve a fair presentation of the charity's financial position. The Companies Act requires all fixed assets to be depreciated. However the directors are of the view that this conflicts with the objective of financial statements set out in Section 2 of FRS 102.

(f) Debtors

Loans to churches and trusts and other debtors are included at the settlement amount due. Prepayments are valued at the amount prepaid.

(g) Cash at bank

Cash at bank includes cash and short term highly liquid investments with a short maturity of three months or less from the date of opening of the deposit.

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2021
(continued)

(h) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation arising 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 provisions are recognised at their settlement amount.

(i) Fund accounting

The funds held by the charity are either:

- Restricted funds – these are funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular purposes; or
- Unrestricted funds – these are funds which can be used in accordance with the charitable objects at the discretion of the directors.

2 INCOME AND ENDOWMENTS

	2021 Unrestricted	2021 Restricted	2021 Total	2020 Total
	£	£	£	£
2.1 Income from charitable activities				
Management charges	32,743	-	32,743	32,396
Property management	14,268	-	14,268	14,922
Administration Charges	11,379	-	11,379	-
Interest from loans to churches and trusts	10,119	-	10,119	10,829
	<u>68,509</u>	<u>-</u>	<u>68,509</u>	<u>58,147</u>
2.2 Income from investments				
Investment properties	38,485	-	38,485	38,275
Bank and other interest	1,543	1,843	3,386	6,707
	<u>40,028</u>	<u>1,843</u>	<u>41,871</u>	<u>44,982</u>

All investment income arose from assets held in the UK

3 EXPENDITURE

	2021 Unrestricted	2021 Restricted	2021 Total	2020 Total
	£	£	£	£
3.1 Raising funds				
Investment property expenditure	5,887	-	5,887	6,139
	<u>5,887</u>	<u>-</u>	<u>5,887</u>	<u>6,139</u>
3.2 Charitable activities				
Grant payable to AGBC(SE)	58,378	-	58,378	47,191
Grant payable to Downe Baptist Church	-	10,000	10,000	-
Interest payable to churches and trusts	40,420	-	40,420	37,344
Office and stationery costs	16	-	16	127
Trustee management charge	-	40	40	40
Legal and professional fees	12	-	12	13
Governance costs	5,831	-	5,831	4,706
Bank charges & interest	116	-	116	60
	<u>104,773</u>	<u>10,040</u>	<u>114,813</u>	<u>89,481</u>

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2021
(continued)

4 INVESTMENTS

	2021 £
Investment Properties	
Market value at 1st January 2021	1,291,603
Additions	-
Unrealised (losses) / gains	8,431
Disposals	(1,127,335)
Market value at 31st December 2021	<u>172,699</u>
Historical cost at 31st December 2021	<u>136,363</u>

The directors obtained a professional valuation of the investment properties in December 2021.

5 DEBTORS

	2021 £	2020 £
Loans (payable after more than one year)		
Loans to churches (4)	259,916	240,439
Loans to trusts (4)	<u>587,000</u>	<u>475,000</u>
	<u>846,916</u>	<u>715,439</u>
Other debtors		
Amounts due from churches	2,923	4,436
Amount due from trusts	-	2,819
Sundry debtors	<u>1,130</u>	<u>1,707</u>
	<u>4,053</u>	<u>8,962</u>
Total debtors	<u>850,969</u>	<u>724,401</u>

6 CURRENT ASSET INVESTMENTS

	2021 £	2020 £
Counties and Cambridge bank 95 days' notice	59,078	58,399
Shawbrook Bank 120 days' notice	<u>100,000</u>	<u>100,000</u>
	<u>159,078</u>	<u>158,399</u>

7 CREDITORS: amounts falling due within one year

	2021 £	2020 £
Amounts due to churches	1,765,086	1,720,564
Amount due to AGBC(SE)	354,505	309,055
Amounts due to trusts	245,822	127,966
Other creditors	<u>4,230</u>	<u>3,865</u>
	<u>2,369,643</u>	<u>2,161,450</u>

8 CREDITORS: amounts falling due after more than one year

	2021 £	2020 £
Amounts due to churches	<u>654,553</u>	<u>726,772</u>

This represents amounts due to churches where the balance is over £100,000 and the notice period exceeds 365 days.

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2021
(continued)

9 RESTRICTED FUNDS

	2021 £	2021 £	2021 £
	Hayes Lane Legacy	Downe Legacy	Total
Balance at 1st January 2021	26,295	133,659	159,954
Income	304	1,539	1,843
Expenditure	(20)	(10,020)	(10,040)
Balance at 31st December 2021	<u>26,579</u>	<u>125,178</u>	<u>151,757</u>

Figures for previous year for comparison

	2020 £	2020 £	2020 £
	Hayes Lane Legacy	Downe Legacy	Total
Balance at 1st January 2020	25,961	131,881	157,842
Income	354	1,798	2,152
Expenditure	(20)	(20)	(40)
Balance at 31st December 2020	<u>26,295</u>	<u>133,659</u>	<u>159,954</u>

The restricted funds arose from legacies received to be applied for the benefit of specific churches at the discretion of the directors of the company.

10 NET ASSETS

	Unrestricted £	Restricted £	2021 Total £
<i>Current year</i>			
Investments	172,699	-	172,699
Net Current assets	982,344	151,757	1,134,101
Long term liabilities	(654,553)	-	(654,553)
	<u>500,490</u>	<u>151,757</u>	<u>652,247</u>

Figures for previous year for comparison

	Unrestricted £	Restricted £	2020 Total £
Investments	1,291,603	-	1,291,603
Net Current (liabilities) / assets	(243,314)	159,954	(83,360)
Long term liabilities	(726,772)	-	(726,772)
	<u>321,517</u>	<u>159,954</u>	<u>481,471</u>

The Trustees' policy is to invest original funds to provide both capital funds and income.

11 AUDIT, INDEPENDENT EXAMINATION AND OTHER FINANCIAL SERVICES FEES

The company's auditors made the following charges:

	2021 £	2020 £
Fee for audit of accounts	3,900	3,840
Fee for other services	80	66
	<u>3,980</u>	<u>3,906</u>

12 STAFF COSTS AND EMPLOYEE BENEFITS

The charity did not employ any staff during the year.

13 ASSETS HELD ON BEHALF OF THIRD PARTIES

The company acts as a trust corporation being custodian trustee for various churches and trusts. Records are kept which identify the holdings applicable to each church and trust for investments held in the name of the company. These assets and their associated transactions are dealt with in the accounts of the churches and trusts concerned.

It has been appointed trustee, in some cases by the Charity Commissioners, of various charities listed in note 14 which have been established to advance the work of the AGBC(SE) in specific geographical areas. The assets held in this capacity at 31 December 2021 were:

	£
Investments under management	5,281,005
Investment properties	1,759,170
Property used for charitable purposes	1,603,065
Other net assets	(2,985)
Loans	314,719
	<u>8,954,974</u>

The company also acts as custodian trustee of certain assets for various churches which have their own local managing trustees. The cost/valuation of assets held in this capacity (excluding the value of any church premises and manses for which no reliable cost information is available) at 31st December 2021 was:

	£
Investments under management	495,907
Investment property	624,999
Properties used for charitable purposes	1,444,773
Other net assets	657,080
Loans	(346,268)
	<u>2,876,491</u>

14 RELATED PARTY

The following directors are also trustees of the AGBC(SE) (the 'charity') and, as such, have an interest in transactions carried out on behalf of trusts and churches administered by the company and the charity: A A Ottley, C J Clarkson (Treasurer), A Creedy, J G Miller, D J Mortimer, Miss M O' Mara, A King and P M Woodley. The transactions involve grants and management charges paid by the trusts and churches administered by the company.

Trust funds relating to the following trusts were administered by the terms of their Trust Deeds: Avonmore Avenue, Barnwell Mission; Bletchley Trust; Brighton Trust; Buckland Common Baptist Chapel Trust; Church Hill Baptist Church, Walthamstow Trust; Dudley Baptist Church Trust; "Ebenezer" Baptist Chapel, Ilford Trust; Eva Rance Charity; Feltham 'Zoar Chapel Trust'; Feltham 'Avonwick' Trust; Gaddesden Row Chapel Trust; Grace Charities Trust; Little Wild Street Trust Chapel (Strict Baptist) Fund; Mayford Chapel Trust; Potten End Chapel Fund; Providence Chapel, Kingston Trust; Richmond Homes Trust; "Salem" Baptist Chapel, Richmond Charity; Wilstone

During the year, an interest bearing loan facility of up to £200,000 was granted to Hope Community Church of which the trustee, AA Ottley is also a Trustee. £45,000 of the facility had been drawn down at year end. In addition, an interest bearing loan of £25,001 was advanced to Newtown Baptist Church, Chesham of which the trustee D Mortimer is also a Trustee. The balance at year end was £15,477.

15 TRUSTEES' REMUNERATION AND EXPENSES

No remuneration or reimbursement of expenses directly or indirectly out of the funds of the charity was paid or payable for the year to any Trustee or to any person or persons known to be connected with any of them.