

**GRACE BAPTIST  
CHARITIES LIMITED**

**FINANCIAL STATEMENTS**

**FOR THE  
YEAR ENDED 31 DECEMBER 2022**

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

<b>Contents</b>	<b>Page</b>
Report of the Directors	1 - 3
Directors' Responsibilities	4
Report of the Independent Auditor	5 - 7
Statement of Financial Activities	8
Balance Sheet	9
Statement of Cash Flows	10
Notes to the Accounts	11 - 15

REPORT OF THE DIRECTORS FOR THE  
YEAR ENDED 31 DECEMBER 2022

**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 (2021: £NIL). Interest of £34,873 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, short term loans from churches and trusts (included in creditors) increased by £71,641. This is mainly due to additional investment by the trusts from retained income, but longer term loans decreased by £195,877. This is mainly due to withdrawals to cover building work at the churches. Loans to churches and trusts (included in debtors) increased by £27,498. In addition, the cash generated from the sale of an investment property in 2021 of £1,300,000 was invested into a stock market portfolio. The net effect is a decrease in cash balances of £1,629,502.

*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 2022  
(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 2022 and into 2023. It has been involved in the pre-planning of a further three potential developments. It continues 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 whilst following the Charity Commission regulations.

**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 2022  
(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) retired Oct 2022	Miss M O' Mara
A A Ottley	J G Miller (retired Oct 2022)
A Gardner	P Smith (Appointed Nov 2022)
P Fuggle (appointed March 2022)	J Southcombe (Treasurer) appointed Oct 2022
A King	P M Woodley
D J Mortimer	
Company Secretary:	A M Gardner (Until Sept 2022)/ L Winmill (from Sept 2022)
Finance Officer:	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.

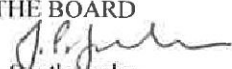
Registered office: 62 Bride Street, London, N7 8AZ

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 Suffolk 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

  
J. Southcombe

**Director**

3rd July 2023

**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.

BY ORDER OF THE BOARD

62 Bride Street  
London  
N7 8AZ

  
J. Southcombe, Director  
**Grace Baptist Charities Limited**  
3rd July 2023

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 2022 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 2022 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.

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

**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.

**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.

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.

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

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.

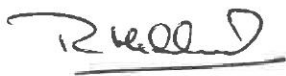
In response to the risks identified we designed procedures which included, but were not limited to challenging significant accounting estimates, evaluating the company's internal controls, and verifying property transactions and loan balances with third parties.

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**

Dated: 7 July 2023

5 Robin Hood Lane,  
Sutton,  
Surrey  
SM1 2SW

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

(8)

STATEMENT OF FINANCIAL ACTIVITIES  
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 DECEMBER 2022

	<i>Note</i>	<b>Unrestricted Fund £</b>	<b>Restricted Fund £</b>	<b>2022 Total Funds £</b>	<b>2021* Total Funds £</b>
<b>Income and endowments from:</b>					
Charitable activities	2.1	77,456	-	77,456	68,509
Investments	2.2	36,075	1,926	38,001	41,871
		<u>113,531</u>	<u>1,926</u>	<u>115,457</u>	<u>110,380</u>
<b>Expenditure on:</b>					
Raising funds	3.1	6,742	-	6,742	5,887
Charitable activities	3.2	105,058	40	105,098	114,813
<b>Total expenditure</b>		<u>111,800</u>	<u>40</u>	<u>111,840</u>	<u>120,700</u>
<b>Net income / (deficit) before net (losses) / gains on investment</b>		<b>1,731</b>	<b>1,886</b>	<b>3,617</b>	<b>(10,320)</b>
Net (losses) / gains on investments					
Realised gain		(2,927)	-	(2,927)	172,665
Unrealised (losses) / gains on investments		(44,959)	-	(44,959)	8,431
		<u>(47,886)</u>	<u>-</u>	<u>(47,886)</u>	<u>181,096</u>
<b>Net (expenditure) / income and Net movement in Funds</b>		<b>(46,155)</b>	<b>1,886</b>	<b>(44,269)</b>	<b>170,776</b>
<b>Reconciliation of funds:</b>					
Funds brought forward		500,490	151,757	652,247	481,471
<b>Funds carried forward</b>	10	<u><b>454,335</b></u>	<u><b>153,643</b></u>	<u><b>607,978</b></u>	<u><b>652,247</b></u>

No operations were acquired or discontinued during the year.

**\*Prior year analysis:**

	<i>Unrestricted Fund £</i>	<i>Restricted Fund £</i>	<i>2021 Total funds £</i>
<b>Income and endowments from:</b>			
Charitable activities	68,509	-	68,509
Investments	40,028	1,843	41,871
<b>Total income and endowments</b>	<u><b>108,537</b></u>	<u><b>1,843</b></u>	<u><b>110,380</b></u>
<b>Expenditure on:</b>			
Raising funds	5,887	-	5,887
Charitable activities	104,773	10,040	114,813
<b>Total expenditure</b>	<u><b>110,660</b></u>	<u><b>10,040</b></u>	<u><b>120,700</b></u>
<b>Operating (deficit)</b>	<b>(2,123)</b>	<b>(8,197)</b>	<b>(10,320)</b>
Net gains on investments			
Realised gains on investments	172,665	-	172,665
Unrealised gains on investments	8,431	-	8,431
	<u>181,096</u>	<u>-</u>	<u>181,096</u>
<b>Net income / (expenditure) and Net movement in Funds</b>	<b>178,973</b>	<b>(8,197)</b>	<b>170,776</b>
<b>Reconciliation of funds:</b>			
Funds brought forward	321,517	159,954	481,471
<b>Funds carried forward</b>	<u><b>500,490</b></u>	<u><b>151,757</b></u>	<u><b>652,247</b></u>

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


(9)

BALANCE SHEET  
AT 31ST DECEMBER 2022

		2022		2021	
	<i>Note</i>	£	£	£	£
<b>Fixed assets</b>					
Investments	4		1,422,319		172,699
<b>Current assets</b>					
Debtors (including £857,031 (2021: £846,916) due in more than one year)	5	892,145		850,969	
Investments	6	159,669		159,078	
Cash at Bank		<u>863,604</u>		<u>2,493,697</u>	
<b>Total Current assets</b>		<u>1,915,418</u>		<u>3,503,744</u>	
Creditors: Amounts falling due within one year	7	<u>(2,271,083)</u>		<u>(2,369,643)</u>	
<b>Net current (liabilities) / assets</b>			<u>(355,665)</u>		<u>1,134,101</u>
<b>Total assets less current liabilities</b>			1,066,654		1,306,800
<b>Creditors: Amounts falling due after one year</b>	8		(458,676)		(654,553)
<b>Total net assets</b>	10		<u>607,978</u>		<u>652,247</u>
<b>The funds of the charity:</b>					
Unrestricted funds			410,927		464,154
Revaluation Reserve (unrestricted)			<u>43,408</u>		<u>36,336</u>
Total Unrestricted Fund			454,335		500,490
Restricted income funds	10		<u>153,643</u>		<u>151,757</u>
Total funds			<u>607,978</u>		<u>652,247</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 3rd July 2023 and signed on their behalf by:

Company registration number: 00096055

  
J. Southcombe, Director  
Grace Baptist Charities Limited

STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2022

		2022	2021
		Total Funds	Total Funds
		£	£
<b>Statement of cash flows:</b>			
<b>Cash flows from operating activities:</b>			
Net cash provided by (used in) operating activities	A	<u>(351,057)</u>	<u>(37,781)</u>
<b>Cash flows from investing activities:</b>			
Dividends, interest and rent from investments		19,061	36,867
Proceeds from sale of investments		561,111	1,300,000
Purchase of investments		<u>(1,859,208)</u>	<u>(679)</u>
Net cash provided by (used in) investing activities		<u>(1,279,036)</u>	<u>1,336,188</u>
<b>Change in cash and cash equivalents in the reporting period</b>		<b>(1,630,093)</b>	<b>1,298,407</b>
Cash and cash equivalents at the beginning of the reporting period		2,493,697	1,195,290
<b>Cash and cash equivalents at the end of the reporting period</b>	B	<b><u>863,604</u></b>	<b><u>2,493,697</u></b>

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

	2022	2021
	£	£
Net income / (expenditure) for the reporting period (as per the statement of financial activities)	(44,269)	170,776
Gains on investments	47,886	(181,096)
Dividends, interest and rent from investments	(19,061)	(36,867)
(Increase) in debtors	(41,176)	(126,568)
Increase / (decrease) in creditors	<u>(294,437)</u>	<u>135,974</u>
<b>Net cash provided by (used in) operating activities</b>	<b><u>(351,057)</u></b>	<b><u>(37,781)</u></b>

**Table B - Analysis of cash and cash equivalents:**

Cash in hand	817,308	2,447,808
Notice deposits (less than 3 months)	<u>46,296</u>	<u>45,889</u>
<b>Total cash and cash equivalents</b>	<b><u>863,604</u></b>	<b><u>2,493,697</u></b>

NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

**I 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 and 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 obtain external valuations every five years. Any gain or loss on revaluation is taken to the Statement of Financial Activities.

**(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 2022  
(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**

	2022	2022	2022	2021
	Unrestricted	Restricted	Total	Total
	£	£	£	£
<b>2.1 Income from charitable activities</b>				
Management charges	34,643	-	34,643	32,743
Property management	20,403	-	20,403	14,268
Administration charges	10,959	-	10,959	11,379
Interest from loans to churches and trusts	11,451	-	11,451	10,119
	<u>77,456</u>	<u>-</u>	<u>77,456</u>	<u>68,509</u>
<b>2.2 Income from investments</b>				
Investment properties	5,212	-	5,212	38,485
Investments listed on recognised stock exchange	23,864	-	23,864	-
Bank and other interest	6,999	1,926	8,925	3,386
	<u>36,075</u>	<u>1,926</u>	<u>38,001</u>	<u>41,871</u>

All investment income arose from assets held in the UK

**3 EXPENDITURE**

	2022	2022	2022	2021
	Unrestricted	Restricted	Total	Total
	£	£	£	£
<b>3.1 Raising funds</b>				
Investment management	3,976	-	3,976	-
Investment property expenditure	2,766	-	2,766	5,887
	<u>6,742</u>	<u>-</u>	<u>6,742</u>	<u>5,887</u>
<b>3.2 Charitable activities</b>				
Grant payable to AGBC(SE)	61,191	-	61,191	58,378
Grant payable to Downe Baptist Church	-	-	-	10,000
Interest payable to churches and trusts	34,873	-	34,873	40,420
Office and stationery costs	142	-	142	16
Development consultancy costs	4,656	-	4,656	-
Trustee management charge	-	40	40	40
Legal and professional fees	-	-	-	12
Governance costs	4,115	-	4,115	5,831
Bank charges and interest	81	-	81	116
	<u>105,058</u>	<u>40</u>	<u>105,098</u>	<u>114,813</u>

NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2022  
(continued)

4 INVESTMENTS	2022 Investment properties £	2022 Quoted investments £	2022 £
Market value at 1st January 2022	172,699	-	172,699
Additions	-	1,858,617	1,858,617
Unrealised gains / (losses)	7,072	(52,031)	(44,959)
Disposals	-	(564,038)	(564,038)
Market value at 31st December 2022	<u>179,771</u>	<u>1,242,548</u>	<u>1,422,319</u>
Historical cost at 31st December 2022	<u>136,363</u>	<u>1,294,580</u>	<u>1,430,943</u>

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

5 DEBTORS	2022 £	2021 £
<b>Loans (payable after more than one year)</b>		
Loans to churches (4)	288,031	259,916
Loans to trusts (4)	569,000	587,000
	<u>857,031</u>	<u>846,916</u>
<b>Other debtors</b>		
Amounts due from churches	20,306	2,923
Amount due from trusts	-	-
Sundry debtors	14,808	1,130
	<u>35,114</u>	<u>4,053</u>
<b>Total debtors</b>	<u>892,145</u>	<u>850,969</u>

6 CURRENT ASSET INVESTMENTS	2022 £	2021 £
Counties and Cambridge Bank 95 days' notice	59,669	59,078
Shawbrook Bank 120 days' notice	100,000	100,000
	<u>159,669</u>	<u>159,078</u>

7 CREDITORS: amounts falling due within one year	2022 £	2021 £
Amounts due to churches	1,763,047	1,765,086
Amount due to AGBC(SE)	182,902	354,505
Amounts due to trusts	319,502	245,822
Other creditors	5,632	4,230
	<u>2,271,083</u>	<u>2,369,643</u>

8 CREDITORS: amounts falling due after more than one year	2022 £	2021 £
Amounts due to churches	<u>458,676</u>	<u>654,553</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 2022  
(continued)

**9 RESTRICTED FUNDS**

	2022 £	2022 £	2022 £
	Hayes Lane Legacy	Downe Legacy	Total
Balance at 1st January 2022	26,579	125,178	151,757
Income	337	1,589	1,926
Expenditure	(20)	(20)	(40)
Balance at 31st December 2022	<u>26,896</u>	<u>126,747</u>	<u>153,643</u>

*Figures for previous year for comparison*

	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>

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 £	2022 Total £
<i>Current year</i>			
Investments	1,422,319	-	1,422,319
Net current (liabilities) / assets	(509,308)	153,643	(355,665)
Long term (liabilities)	(458,676)	-	(458,676)
	<u>454,335</u>	<u>153,643</u>	<u>607,978</u>

*Figures for previous year for comparison*

	Unrestricted £	Restricted £	2021 Total £
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>

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:

	2022 £	2021 £
Fee for audit of accounts	3,900	3,900
Fee for other services	80	80
	<u>3,980</u>	<u>3,980</u>

**12 STAFF COSTS AND EMPLOYEE BENEFITS**

The charity did not employ any staff during the year.

NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2022  
(continued)

**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 2022 were:

	£
Investments under management	4,537,866
Investment properties	1,854,721
Property used for charitable purposes	1,603,065
Other net assets	9,439
Loans	289,669
	<u>8,294,760</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 2022 was:

	£
Investments under management	426,789
Investment property	624,999
Properties used for charitable purposes	1,444,773
Other net assets	459,534
Loans	(321,218)
	<u>2,634,877</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) retired Oct 2022, A Creedy, P Fuggle (appointed March 2022), J G Miller (retired Oct 2022), D J Mortimer, Miss M O' Mara, P Smith (Appointed Nov 2022), J Southcombe (Treasurer) appointed Oct 2022 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; 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 Chapel,.

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. £70,500 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 £12,976.

**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.