

**BAPTIST BUILDING CIO**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

**CHARITY NO: 1185767**

**BAPTIST BUILDING CIO**

**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

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## BAPTIST BUILDING CIO

### ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

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The Trustees present their report together with financial statements of the charity for the year ended 31 December 2021. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice (FRS102) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland published in October 2019.

#### **Objectives and activities for public benefit**

Baptist Building CIO was formed on 11 October 2019 and remained dormant until 1 June 2020. On that date the Trustees of Baptist Building Fund transferred their assets, liabilities and activities to Baptist Building CIO in order to protect the exposure of the Trustees to unlimited liabilities.

The main object of this charity is the advancement of the Christian faith by facilitating the mission of Baptist churches in the United Kingdom. The Trustees confirm that they have referred to the guidance contained in The Charity Commission general guidance on public benefit when reviewing the Fund's aims and objectives, in planning future activities, and in setting the grant making policy for the year.

The charity furthers its charitable purposes for the public benefit through its loan and grant-making policies which aim at:

- making loans to Baptist churches with or without interest for the building, purchase, enlargement, repair or removal of debts on places of worship, manses and other halls or buildings belonging to the Churches or the Colleges of the Baptist denomination throughout the United Kingdom;
- making grants to Baptist Churches and other charitable bodies including but not exclusively The Baptist Union of Great Britain, the Baptist Union of Scotland, the Baptist Union of Wales, the Irish Baptist Network and the Grace Baptist Trust Corporation or their successors in title.

Currently individual loans from the charity do not exceed £250,000 in any one case and are normally repayable by twenty half-yearly instalments, but the Trustees have power to vary these terms provided that the normal repayment term is not exceeded by more than two further years. In November 2021 the Trustees resolved to continue that policy but also offer loans of £250,001 to £500,000 repayable over 10 to 20 years, with discretion to make loans of more than £500,000 on a case by case basis. New loans are repayable quarterly. Borrowers are invited to make a thank-offering to the charity on completion of the repayment of their loan.

To achieve the object of the charity, advertisements are made from time to time in Baptist publicity, by communication with the Regional Baptist Associations and The Baptist Union Corporation Limited, and by participating in exhibitions at Baptist Assemblies. A website helps to further publicise this charity, and can be found at: - [www.baptistbuilding.org](http://www.baptistbuilding.org).

The Trustees all act in an honorary capacity, and generally give at least four days of their time each year in preparing for and attending meetings. In addition, a number of Trustees assist with due diligence for each loan application including examining the financial and property aspects of each application, and the time taken to examine each one is on average at least two days, provided by the Trustees on a voluntary basis. From time to time Trustees may visit a church to further examine their loan application, and this may take a whole day per visit including travelling time.

## **BAPTIST BUILDING CIO**

### **ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2021**

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#### **Grant making policy**

This charity has established its grant making policy to achieve its objectives for the public benefit. The aim of the charity is to assist in the advancement of the Christian faith by facilitating the mission of Baptist churches. This grant-making policy is reviewed from time to time to ensure that it reflects the charity's objects and thereby advances public benefit.

#### **Achievement and performance**

During the year the Trustees received enquiries from seven Baptist churches.

Trustees received loan applications from two churches during the year, requesting loans totalling £500,000. Of these, one application amounting to £250,000 was paid out in 2021 and one application amounting to £250,000 was approved to be paid out when the loan conditions had been completed. Three applications amounting to £100,000 which had been received in 2020 were approved and paid out in 2021.

During the year 4 churches completed their loan repayments.

At 31 December 2021, 36 loans were outstanding amounting to £2,729,495.

The Trustees have a Designated Fund known as the Empowering Change Fund into which they transfer 25% of the sale proceeds of closed Churches. This Fund was created to enable grants to be made to smaller Churches which would make a real difference to their mission work. Grants were made to six Churches during the year amounting to £75,239. At 31 December 2021, four grant applications totalling £38,450 had been approved to be paid out when our conditions had been met.

#### **Financial review**

The principal funding sources are thank-offerings from churches following completion of repayment of their loans, legacies and sale proceeds of churches where this Fund or the Baptist Building Fund is the ultimate beneficiary.

No gifts in kind were received during the year. No fundraising activities were also carried out in the year.

Charity expenditure (excluding grants and costs associated with ultimate trusts) is considered to be modest at 0.6% of total funds, and is incurred in promoting the aims and awareness of the charity, and dealing with its administration. Where the sale proceeds of a church property are received by this charity under the terms of an ultimate trust whereby the property is to be held or disposed of in such manner as the Trustees shall direct or appoint, Trustees have resolved to provide up to 25% of such amounts into a Designated Fund known as the Empowering Change Fund to enable grants to be made to churches.

The monies held by this charity have been applied in providing loans to churches to enable them to expand, repair and improve their premises, for use by Baptists. The Trustees wish to use the funds available to them in assisting churches rather than making investments. At the end of the financial period, 48% of the funds available had been advanced to churches by way of loans, leaving cash reserves of £2,879,695 at the end of the year. Of this sum, £250,000 had been approved for loans to be made to Churches for specific projects to be drawn down by the churches as their funding requires.

During the year, the charity received £1,398,216 from the sale proceeds of closed Churches where Baptist Building Fund was the beneficiary of the ultimate trust.

The operations of the charity are such that COVID-19 has not had a noticeable impact.

## **BAPTIST BUILDING CIO**

### **ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2021**

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#### **Investment policy and performance**

The investment policy of the Fund of using interest bearing accounts with the Fund's bankers is considered to be satisfactory, since the primary objective of this Fund is not to make investment gains but to provide the maximum available funding for making loans.

The main source of increasing the net asset base of the Fund is the closure and sale of Baptist churches where this Fund or Baptist Building Fund is the ultimate beneficiary. The timing of funds from this source is outside the control of the charity Trustees.

#### **Risk management**

The Trustees examine the major risks that the charity faces each financial year. The charity has developed systems to monitor and control these risks in order to mitigate any impact they may have on the charity in the future.

The principal risk faced by this charity is the potential for one or more of the churches to whom loans have been advanced being unable to repay their loan in full. In order to minimise this risk, Trustees carry out a review of the finances of each church that makes an application for a loan, in an endeavour to ascertain their ability to make repayments on time. They also seek a commendation from the local Regional Baptist Association, and carry out a review of the work for which the loan is required to satisfy themselves that the relevant professional advisers with adequate professional indemnity insurance have been engaged by the church. The charity also lodges their interest in the property with The Land Registry, or in some cases, takes a formal charge over the church property.

The charity has insurance for potential liability arising from actions by the Trustees.

#### **Reserves policy**

It is the policy of this charity to maintain the Capital Fund at the maximum level possible, consistent with retaining the General Fund at a level which equates to approximately six months' expenditure on support costs (approximately £17,000). At 31 December 2021 the General Fund balance amounted to £23,792 of which all were free reserves. The Designated Fund balance amounted to £67,622 and related to monies set aside to be used by way of grants for projects within Baptist Churches. The remaining free reserves of £5,595,850 are held in the Capital Fund. This has been loaned or is available for making loans.

Total funds at 31 December 2021 amounted to £5,687,264. After deducting £2,729,495 committed in the form of concessionary loans and £67,622 designated to provide for future grants to Churches, free reserves totalled £2,890,147. Of this, £23,792 has been retained on the General Fund to meet support costs. This equates to approximately six months' of normal expenditure. The Trustees have the discretion make transfers between the General Fund and the Capital Fund as necessary. The remaining free reserves of £2,866,355 are held in the Capital Fund. It is the charity's policy to maintain the Capital Fund at the maximum level possible. There was one loan commitment at 31 December 2021 amounting to £250,000. The level of reserves ensures that the charity can fulfil its main objectives and respond to existing commitments and expected new funding requests on a timely basis.

#### **Plans for the future**

Baptist Building CIO is a lasting testimony to the group of London Baptist ministers who were blessed with the vision of setting up the Baptist Building Fund in 1824. It has helped hundreds of Baptist churches with building projects since its inception. The Trustees wish to continue dealing with the net assets of Baptist Building CIO in the same manner.

## **BAPTIST BUILDING CIO**

### **ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2021**

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#### **Plans for the future (continued)**

The Trustees intend to continue following the policy of making the maximum amount of funds available to Baptist churches and colleges that need assistance with their building projects. In order to facilitate this, the Trustees will continue to make known the availability of funding to key personnel within the Baptist Denominations. The maximum loan limit within this Fund was increased to £500,000 on 3 November 2021. At 31 December 2021, enquiries had been received which, if all progress to being successful loan applications, would utilise £700,000 of available funds.

#### **Structure, governance and management**

Baptist Building CIO is a Charitable Incorporated Organisation which is a registered charity administered under the terms of its Governing Document. The activities of this charity are controlled by the Trustees, details of whom are set out on page 5 of this Report. The Trustees were appointed in the Governing Document as approved by the Trustees of Baptist Building Fund on the creation of this CIO. Future Trustees must be appointed by a resolution passed at a properly convened meeting of the Charity Trustees.

Trustees are usually selected from those with experience in Baptist Church governance, and from a variety of professional and similar backgrounds. It is expected that they will bring to this charity the benefit of their expertise. As this experience has been gained with similarly minded charities, it is generally considered that additional training is not required on appointment. Trustees give due regard to changes in laws applicable to charity trustees from time to time.

The Trustees normally meet three times each year, either in person or on-line. At their meetings the Trustees transact the business of the charity and in particular scrutinise loan applications to ensure that they conform to the Governing Document and general requirements of the charity. This includes an assessment of the borrower's ability to repay their loan and the appropriateness and suitability of schemes for which the loans are sought. The Administrator deals with the day to day administration of the charity and prepares reports for presentation to the Trustees. Each loan application is reviewed for financial viability and property legal compliance by Trustees with expertise in these areas, and their reports are consolidated by the Administrator. Trustees decide, on the information before them, whether or not to make a loan. They may require specific conditions to be met before advancing a loan.

The Grants Committee (currently six Trustees) reviews each grant application and makes proposals for accepting or rejecting them to the full board of Trustees. If objections are raised by Trustees, these are discussed and decided upon at the next Trustees' meeting.

The charity has working relationships with all Baptist Unions in the United Kingdom and The Grace Baptist Trust Corporation. Where loan applications are made to "Baptist" bodies other than this Fund, the Administrator may exchange information with those other "Baptist" bodies to save duplication of work.

#### **Key management personnel**

The Trustees consider the Board of Trustees and the Administrator as comprising the key management personnel of the charity who are in charge of directing and controlling the charity and running and operating the charity on a day to day basis. All Trustees give of their time freely and no trustee remuneration was paid in the year. Details of trustee expenses and any related party transactions are disclosed in note 8 to the financial statements.

Trustees are required to disclose all relevant interests and, in accordance with the Fund's policy, to withdraw from decisions where a conflict of interest arises.

The remuneration of the Administrator is reviewed annually.

## BAPTIST BUILDING CIO

### ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

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#### Reference and administrative details

<b>Charity Registration Number</b>	1185767
<b>Registered address</b>	Wonford Chapel 36-38 Wonford Street EXETER Devon EX2 5DL

#### Trustees

Apart from the first Charity Trustees who were appointed by the Trustees of Baptist Building Fund, every Charity Trustee is appointed by a resolution passed at a properly convened meeting of Charity Trustees.

The Charity Trustees are: -

Mr Andrew C Burgess MA	Mr Andrew M Lewis BSc DipArb FRICS FCIArb
Reverend Ian J Bunce	Reverend Martin R Poole BD (to 28 September 2021)
Mr Eric Cousins FCCA	Mr P Michael Smedley FRICS ACIArb
Reverend Catriona J T Gorton BA BSc MPhil	Mr John Walker LLB DLP NP SSC
Mr O Philip Jones LLB	Dr Robert A Wordsworth
Mr David M Leverett FCA	

**Administrator** (to whom day to day management of the charity is delegated)

until 30 April 2021	Mr David M Leverett FCA
from 1 May 2021	Mrs Emily A Blake LLB

#### Independent Auditor

Griffin Chartered Accountants  
Airport Business Park  
Unit 4 Silverdown Office Park  
EXETER  
Devon  
EX5 2UX

#### Bankers

CAF Bank Limited  
25 Kings Hill Avenue  
Kings Hill  
WEST MALLING  
Kent  
ME19 4JQ

#### Solicitors

Tollers LLP  
1 Waterside Way  
Bedford Road  
NORTHAMPTON  
NN4 7XD

## BAPTIST BUILDING CIO

### ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

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#### Trustees' responsibilities

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

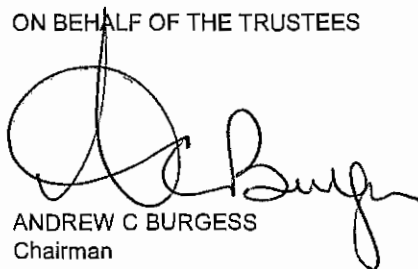
Charity law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the financial position of the charity during the year and of its financial position at the end of the year. In preparing those financial statements, the Trustees should follow best practice and:

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

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the Governing Document. They are also responsible for safeguarding the assets of the charity and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

ON BEHALF OF THE TRUSTEES



ANDREW C BURGESS  
Chairman

29 June 2022



## INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE BAPTIST BUILDING CIO

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### Opinion

We have audited the financial statements of the Baptist Building CIO for the year ended 31 December 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and 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 United Kingdom 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 charity'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 Charities Act 2011.

### 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 charity 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 those 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 Trustees' 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 Trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees' with respect to going concern are described in the relevant section of this report.

### Other information

The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the trustees' 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.

## **INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE BAPTIST BUILDING CIO**

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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.

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- the charity has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement (set out on page 6), the trustees 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 trustees 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 trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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.

## INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE BAPTIST BUILDING CIO

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### Auditor's responsibilities for the audit of the financial statements (continued)

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout our audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation (i.e. gives rise to a true and fair view).

We communicate with those charged with governance regarding, among other things, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

## INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE BAPTIST BUILDING CIO

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### Extent to which the audit was considered capable of detecting irregularities, including fraud (continued)

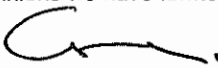
In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with laws and regulations considered to have a direct material effect on the finance statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing the supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the finance statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

### Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

  
Griffin  
Chartered Accountants  
Unit 4 Silverdown Office Park  
Exeter Airport Business Park  
EXETER  
Devon EX5 2UX

Date 08/07/22

Griffin is eligible to act as an auditor in terms of  
Section 1212 of The Companies Act 2006.

**BAPTIST BUILDING CIO**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	General Fund £	Designated Fund £	Capital Fund £	Total 2021 £	Total 2020 £
<b>Income and endowments from:</b>						
Donations and legacies	2	24,775	0	0	24,775	4,719,689
Investments	3	2,510	0	0	2,510	849
Other						
- Proceeds of ultimate trusts	4	0	0	1,398,216	1,398,216	48,332
<b>Total income</b>		<b>27,285</b>	<b>0</b>	<b>1,398,216</b>	<b>1,425,501</b>	<b>4,768,870</b>
<b>Expenditure on:</b>						
Charitable activities						
Cost of loan and grant making	5	33,670	75,239	298,977	407,886	99,221
<b>Total expenditure</b>		<b>33,670</b>	<b>75,239</b>	<b>298,977</b>	<b>407,886</b>	<b>99,221</b>
<b>Net income</b>		<b>(6,385)</b>	<b>(75,239)</b>	<b>1,099,239</b>	<b>1,017,615</b>	<b>4,669,649</b>
<b>Transfers between Funds</b>		<b>15,000</b>	<b>50,577</b>	<b>(65,577)</b>	<b>0</b>	<b>0</b>
<b>Net Movement in Funds</b>		<b>8,615</b>	<b>(24,662)</b>	<b>1,033,662</b>	<b>1,017,615</b>	<b>4,669,649</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward	16	15,177	92,284	4,562,188	4,669,649	0
<b>Total funds carried forward</b>	<b>16</b>	<b>23,792</b>	<b>67,622</b>	<b>5,595,850</b>	<b>5,687,264</b>	<b>4,669,649</b>

All income and expenditure derive from continuing activities, and relate to unrestricted funds.

The accompanying notes on pages 14 to 23 form part of these financial statements.

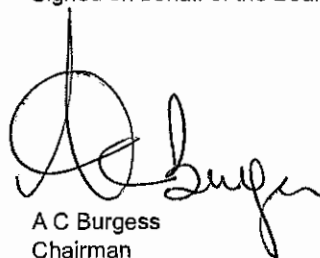
# BAPTIST BUILDING CIO

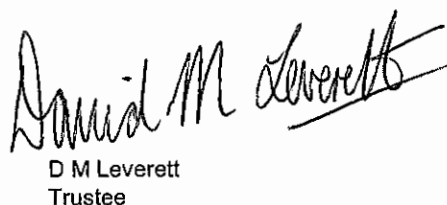
## BALANCE SHEET AS AT 31 DECEMBER 2021

	Note	2021		2020	
		£	£	£	£
<b>Fixed Assets</b>					
Investments	9		2,729,495		2,844,525
Capital equipment	10		919		0
<b>Current Assets</b>					
Debtors	11	120,074		52,971	
Cash at bank and in hand		2,879,695		1,785,910	
		2,999,769		1,838,881	
<b>Creditors: Amounts falling due within one year</b>	12	42,919		13,757	
<b>Net Current Assets</b>			2,956,850		1,825,124
<b>Total Assets less Current Liabilities being Net Assets</b>			5,687,264		4,669,649
<b>Charity Funds</b>					
<b>Unrestricted funds</b>					
General Fund	16		23,792		15,177
Designated Fund	16		67,622		92,284
Capital Fund	16		5,595,850		4,562,188
			5,687,264		4,669,649

The financial statements were approved and authorised for issue by the Trustees on 29 June 2022.

Signed on behalf of the Board of Trustees:

  
A C Burgess  
Chairman

  
D M Leverett  
Trustee

The accompanying notes on pages 14 to 23 form part of these financial statements.

# BAPTIST BUILDING CIO

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2021

	2021 £	2020 £
<b>Reconciliation of net movement in funds to net cash flow from operating activities</b>		
Net movement in funds	1,017,615	4,669,649
<b>Adjustments for:</b>		
Interest received	(2,510)	(849)
Depreciation	918	0
Decrease/(increase) in debtors	(67,103)	(52,971)
(Decrease)/increase in creditors	29,162	13,757
<b>Net cash provided by /(used in) operating activities</b>	<b>978,082</b>	<b>4,629,586</b>
<b>Cash flow from investing activities</b>		
Interest received	2,510	849
Movements in loans to Churches		
Loans transferred from Baptist Building Fund	0	(2,845,290)
Loans made	(350,000)	(300,000)
Loans repaid	465,030	300,765
Purchase of fixed assets	(1,837)	0
<b>Net cash flow from investing activities</b>	<b>115,703</b>	<b>(2,843,676)</b>
<b>Change in cash and cash equivalents in the reporting period</b>	<b>1,093,785</b>	<b>1,785,910</b>
<b>Cash and cash equivalents at 31 December 2020</b>	<b>1,785,910</b>	<b>0</b>
<b>Cash and cash equivalents at 31 December 2021</b>	<b>2,879,695</b>	<b>1,785,910</b>
<b>Cash and cash equivalents consists of:</b>		
Cash at bank and in hand	2,879,695	1,785,910
<b>Cash and cash equivalents at 31 December 2021</b>	<b>2,879,695</b>	<b>1,785,910</b>

## **BAPTIST BUILDING CIO**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

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#### **1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### **GENERAL INFORMATION AND BASIS OF PREPARATION**

Baptist Building CIO is charitable incorporated organisation which is a registered charity administered under the terms of its Governing Document in England. The address of the registered office is given in the charity information on page 5 of these financial statements. The nature of the charity's operations and principal activities are assisting Baptist Churches with building projects.

The charity constitutes a public benefit entity as defined by FRS102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland issued in October 2019, the Financial Reporting Standard in the United Kingdom and the Republic of Ireland (FRS102), the Charities Act 2011 and UK Generally Accepted Accounting Practice.

The financial statements are prepared on a going concern basis under the historical cost convention to include certain items at a fair value. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £1. The charity's financial statements present information about it as an individual undertaking.

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern. In applying the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying value of assets and liabilities. Although actual results may differ from estimates of this type, in the opinion of the trustees, this is unlikely to result in material adjustments to the carrying value of assets and liabilities.

The financial statements have been prepared to give a "true and fair" view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a "true and fair view". This departure has involved following Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The significant accounting policies applied in the preparation of these financial statements are set out below.

The comparative figures throughout these financial statements are for the period  
1 June to 31 December 2020.

##### **INCOME RECOGNITION**

###### **Donations and gifts**

All income is recognised once the charity has entitlement to income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

All monetary donations and gifts are included in full in the statement of financial activities when receivable, provided there are no donor-imposed restrictions as to the timing of the related expenditure, in which case recognition is deferred until the pre-condition has been met.



## **BAPTIST BUILDING CIO**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

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#### **1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

##### **INCOME RECOGNITION (continued)**

###### **Donations and gifts (continued)**

The transfer of assets and liabilities for nil consideration from Baptist Building Fund does not meet the definition of a merger and was in substance a gift. As a result, the excess of the fair value of assets received over liabilities assumed has been recognised as a gain and is shown separately within income as a donation received. Due to the nature of the assets and liabilities transferred, fair value is considered equivalent to cost.

Legacies to which the charity is entitled are included in the statement of financial activities where the value has been ascertained with a reasonable degree of certainty.

Gifts in kind are accounted for at the trustees' estimate of their value to the charity.

No amount of volunteer time is included in the financial statements but further detail is given in the Trustees' Annual Report.

Donations under gift aid together with the associated income tax recoveries are credited as income when the donations are received.

###### **Proceeds from ultimate trusts**

Proceeds from ultimate trusts are recognised in the accounts when the charity is entitled to the incoming resources, the amount can be reliably measured and it is probable that the incoming resources will be received. Entitlement is usually established on completion of the sale of the relevant property.

###### **Investment income**

Investment income, including associated income tax recoveries, is recognised when receivable.

##### **EXPENDITURE RECOGNITION**

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings: -

- Costs of raising funds;
- Expenditure on charitable activities;
- Other expenditure

Grants payable are payments made to third parties in furtherance of the charitable objectives of the charity. Grants are accounted for when the recipient has a reasonable expectation that they will receive a grant and the trustees have agreed to make a grant subject to conditions.

###### **IRRECOVERABLE VAT**

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

## **BAPTIST BUILDING CIO**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

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#### **1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

##### **ALLOCATION OF SUPPORT AND GOVERNANCE COSTS**

Support costs have been differentiated between governance costs and other support costs. Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulations and good practice. These costs include costs related to trustees' meetings, audit and legal fees. The basis on which support costs have been allocated is set out in note 5.

##### **CHARITABLE ACTIVITIES**

Cost of charitable activities including grants made, support costs and governance costs are shown in note 5.

##### **FUND ACCOUNTING**

Unrestricted funds are donations, and other incoming resources received or generated for expenditure on the general objectives of the charity.

Designated funds are unrestricted funds which have been designated for specific purposes by the trustees.

The Capital Fund is maintained at the maximum possible level. Transfers are made from the General Fund to the Capital Fund from time to time, to retain within the General Fund an amount that equates to approximately six months' expenditure.

##### **INVESTMENTS**

Social investments are programme related investments which are those held to further our charitable activities. They include concessionary loans.

##### **CONCESSIONARY LOANS**

Loans are initially recognised and measured at the amount paid, with the carrying amount adjusted in subsequent years to reflect repayments and adjusted if necessary for any amounts deemed to be irrecoverable.

##### **TANGIBLE FIXED ASSETS**

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses. Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their expected useful lives on the following basis:

Office equipment	50%
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##### **DEBTORS AND CREDITORS RECEIVABLE/PAYABLE WITHIN ONE YEAR**

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

# BAPTIST BUILDING CIO

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

### 2 INCOME FROM DONATIONS AND LEGACIES

	2021	2020
	£	£
Thank-offerings from Churches (see below)	24,400	35,000
Church Donations	0	15
Personal Subscriptions and Donations	375	200
Transferred from Baptist Building Fund (see below)	0	4,684,474
	<b>24,775</b>	<b>4,719,689</b>

The funds transferred from Baptist Building Fund on 1 June 2020 were: -

General Fund	0	14,334
Designated Fund	0	164,201
Capital Fund	0	4,505,939

	<b>0</b>	<b>4,684,474</b>
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The net assets transferred were:-

Loans to churches	0	2,845,290
Current assets		
Debtors, prepayments and accrued income	0	55,646
Cash at bank	0	1,794,229
	<b>0</b>	<b>1,849,875</b>
Current liabilities		
Sundry creditors	0	10,691
	<b>0</b>	<b>1,839,184</b>

	<b>0</b>	<b>4,684,474</b>
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### Thank-offerings from Churches

	£	£
Bristol, Totterdown	3,500	0
Buckhurst Hill	0	7,000
Didsbury	900	0
Ipswich, Colchester Road	10,000	0
Liverpool, Old Roan, Aintree	0	5,000
Newport, Castlehold, Isle of Wight	0	10,000
Northampton, Abbey Centre	0	1,750
Rothwell (Leeds)	0	6,250
Sevenoaks, The Vine	5,000	0
South Oxhey	5,000	5,000
	<b>24,400</b>	<b>35,000</b>

### 3 INCOME FROM INVESTMENTS

	2021	2020
	£	£
Bank Interest	2,510	849
	<b>2,510</b>	<b>849</b>

# BAPTIST BUILDING CIO

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

<b>4 PROCEEDS OF ULTIMATE TRUSTS</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Abertillery Baptist Church	102,306	0
Deal Baptist Church	100,000	0
Kingston, John Bunyan Baptist Church	1,195,910	0
Witchford Baptist Church	0	48,332
	<b>1,398,216</b>	<b>48,332</b>
<b>5 CHARITABLE ACTIVITIES</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>General Fund - Support costs</b>		
Administrator's salary/fees	14,502	6,533
Travel costs	1,304	262
Computer consultancy	190	0
Printing, stationery, postage and telephone	360	335
Bank charges	229	108
Insurance	3,246	531
General publicity	20	20
Website	129	154
Governance costs (see note 6)	12,772	7,278
Depreciation on fixed assets	918	0
	<b>33,670</b>	<b>15,221</b>
<b>Designated Fund - Grants</b>		
Ainess Baptist Church	0	20,000
Bexhill-on-Sea, Sidley Baptist Church	0	10,000
Buckhaven Baptist Church	0	5,000
Chiddingfold Baptist Church	0	7,500
Dennistoun Baptist Church	0	25,000
Ewyas Harold Baptist Church	4,239	0
Hainault Baptist Church	11,000	0
Heanor Baptist Church	15,000	0
Islay Baptist Church	0	11,500
Montacute Baptist Church	10,000	0
New Addington Baptist Church	0	5,000
Oxford, John Bunyan Baptist Church	10,000	0
Sutton St James Baptist Church	25,000	0
	<b>75,239</b>	<b>84,000</b>
	<b>108,909</b>	<b>99,221</b>

All grants were paid to Baptist Churches as contributions towards small building projects for missional activities. Without this work being carried out, each Church would have to restrict their community ministry.

Support costs are all attributable to the charity's loan and grant making activity.

# BAPTIST BUILDING CIO

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

<b>5 CHARITABLE ACTIVITIES (CONTINUED)</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Capital Fund - Grant</b>		
The London Baptist Property Board Limited	298,977	0
	<b>298,977</b>	<b>0</b>
<b>6 GOVERNANCE COSTS</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Trustees' Meetings	3,043	108
Audit fees	5,940	0
Audit fees due to previous auditors	1,320	6,270
Independent examination of Baptist Building Fund	900	0
Legal fees	1,569	900
	<b>12,772</b>	<b>7,278</b>
<b>7 EMPLOYEES</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Staff costs during the year were as follows:		
Wages and salaries	8,667	0
National Insurance costs	48	0
Pension costs (NEST)	260	0
	<b>8,975</b>	<b>0</b>

The average number of employees during the year was 1 (2020:0).

No employee earned £60,000 per annum or more in the current or preceding accounting period.

## 8 PAYMENTS TO TRUSTEES AND CONNECTED PERSONS

### a) Payments to Trustees

Other than the Administrator until 30 April 2021 (Mr David Leverett), no trustee or person with a family or business connection with a trustee received any remuneration or benefits in the year, directly or indirectly from the charity. Mr Leverett was remunerated £5,600 for his work in administering the fund (2020: £6,533). His remuneration was agreed by the trustees.

On 1 May 2021, he was succeeded by Mrs Emily Blake who is employed by the charity.

Expenses reimbursements paid to 9 (2020: 3) trustees (excluding the Administrator) during the year amounted to £1,565 (2020: £348) in respect of travelling and other expenses incurred on behalf of the charity.

### b) Payments to Administrators

During 2021, the fees and employment costs of the Administrators totalled £14,502 (2020: £6,533), being the remuneration of the key management personnel. The Administrators were reimbursed for travelling expenses, postage, stationery, telephone, fixed assets, Land Registry fees and website costs amounting to £3,325 (2020: £920).

# BAPTIST BUILDING CIO

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

### 10 FIXED ASSETS

	Office equipment	2021 Total
	£	£
Cost brought forward	0	0
Additions	1,837	1,837
Cost at 31 December 2021	1,837	1,837
Depreciation brought forward	0	0
Charge for the year	918	918
Depreciation at 31 December 2021	918	918
Net book value at 31 December 2021	919	919

### 11 DEBTORS

	2021	2020
	£	£
Other debtors	117,205	49,997
Prepayments	2,869	2,974
	120,074	52,971

Debtors amounting to nil (2020: £49,997) may not be recoverable within one year.

### 12 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Trade creditors	36,079	2,957
Accruals and deferred income	6,840	10,800
	42,919	13,757

### 13 GENERAL FUND

The purpose of the General Fund is to meet all administrative and fund raising costs incurred during the period. At the absolute discretion of the Trustees, transfers may be made to or from the Capital Fund.

### 14 DESIGNATED FUND

Trustees transferred 25% of the net sale proceeds of some closed churches into the Designated Fund with a view to making grants for missional work on applications from Baptist Churches.

### 15 CAPITAL FUND

The Capital Fund is primarily used for granting of loans in accordance with the objects of the Fund.

**BAPTIST BUILDING CIO**

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

**16 ANALYSIS OF CHARITABLE FUNDS**

**Analysis of fund movements 2021**

	Balance brought forward	Income	Expenditure	Transfers	Balance carried forward
	£	£	£	£	£
<b>Unrestricted funds</b>					
General Fund	15,177	27,285	33,670	15,000	23,792
Designated Fund	92,284	0	75,239	50,577	67,622
Capital Fund	4,562,188	1,398,216	298,977	(65,577)	5,595,850
	<b>4,669,649</b>	<b>1,425,501</b>	<b>407,886</b>	<b>0</b>	<b>5,687,264</b>

**Analysis of fund movements 2020**

	Balance b/f	Income	Expenditure	Transfers	Balance c/f
	£	£	£	£	£
<b>Unrestricted funds</b>					
General Fund	0	50,398	15,221	(20,000)	15,177
Designated Fund	0	164,201	84,000	12,083	92,284
Capital Fund	0	4,554,271	0	7,917	4,562,188
	<b>0</b>	<b>4,768,870</b>	<b>99,221</b>	<b>0</b>	<b>4,669,649</b>

**Analysis of net assets between funds 2021**

	General fund	Designated fund	Capital fund	Total
	£	£	£	£
Fixed Assets	919	0	2,729,495	2,730,414
Current assets	65,792	67,622	2,866,355	2,999,769
	<b>66,711</b>	<b>67,622</b>	<b>5,595,850</b>	<b>5,730,183</b>
Current liabilities	42,919	0	0	42,919
	<b>23,792</b>	<b>67,622</b>	<b>5,595,850</b>	<b>5,687,264</b>

**Analysis of net assets between funds 2020**

	General fund	Designated fund	Capital fund	Total
	£	£	£	£
Fixed Assets	0	0	2,844,525	2,844,525
Current assets	28,934	92,284	1,717,663	1,838,881
	<b>28,934</b>	<b>92,284</b>	<b>4,562,188</b>	<b>4,683,406</b>
Current liabilities	13,757	0	0	13,757
	<b>15,177</b>	<b>92,284</b>	<b>4,562,188</b>	<b>4,669,649</b>

The purpose of each fund is described in notes 13 to 15, and appropriate transfers have been made between them to fulfil the criteria.

## BAPTIST BUILDING CIO

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 17 ANALYSIS OF CHANGES IN NET DEBT

	At 1 January 2021	Cashflow	At 31 December 2021
Cash at bank and in hand	1,785,910	1,093,785	2,879,695

#### 18 EVENTS AFTER THE REPORTING DATE

Since the balance sheet date, the trustees have allocated 10% of the proceeds of sale of the former John Bunyan Baptist Church, Kingston amounting to £119,591 to the Empowering Change Fund.

#### 19 RELATED PARTY TRANSACTIONS

With the exception of the reimbursement of expenses and remuneration as set out in note 8 on page 19, there were no transactions between the Trustees and the Charity during the year.

#### 20 PENSIONS

##### Defined Contribution Scheme

The charity contributes to Nest Pension Scheme, which is a defined contribution pension scheme run by Nest Corporation (a public body) for the benefit of its members.

Members pay 5% of their Pensionable Income into this Scheme and the employer pays 3%. The assets of the scheme are held separately from those of the CIO in an independently administered fund. The pension cost charge represents contributions payable by the CIO to the fund and amounted to £260 (2020: £Nil). £76 (2020: £Nil) was payable to the fund at the balance sheet date and is included in creditors.