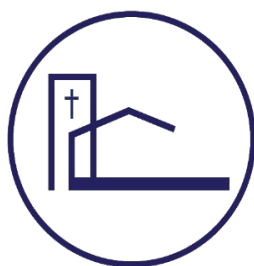




BAPTIST BUILDING CIO

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022



CHARITY NO: 1185767

BAPTIST BUILDING CIO

ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

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BAPTIST BUILDING CIO

ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The Trustees present their report together with financial statements of the charity for the year ended 31 December 2022. 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 has taken over the activities of the Baptist Building Fund to protect the exposure of the Trustees to unlimited liabilities.

The main object of this charity is the advancement of the Christian faith for the public benefit by facilitating the mission of Baptist churches in the United Kingdom.

To achieve this, Baptist Building CIO aims to partner with UK Churches and other charitable bodies of the Baptist Denomination by:



making loans to Baptist Churches to help them to purchase, build, expand, repair and improve their premises, including places of worship and other halls or buildings.

We currently offer loans of £30,000-£500,000, repayable over 10 years (or up to 20 years for loans over £250,000), repayable by regular instalments (quarterly or half-yearly). The Trustees have the power to offer loans of over £500,000 and to vary any loan terms, on a case by case basis. The loans are interest-free and borrowers are invited to make a thank-offering donation to this charity on completion of the repayment of their loan.



making grants to small Baptist Churches mainly in rural or deprived urban areas to help them to purchase, build, expand, repair and improve their premises where that building project is intended to have a big impact on their local mission work.

We periodically offer discretionary grants of £5,000-£25,000 to qualifying Churches from our Empowering Change Fund when designated funds are available for this purpose, usually with a 3-4 month window for Churches to apply.

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.

To achieve the object of our charity, our loans and grants are advertised from time to time in Baptist publicity, and communicated to a network of Baptist organisations, including the Baptist Union of Great Britain, the Baptist Union of Scotland, the Baptist Union of Wales, the Grace Baptist Trust Corporation and Regional Baptist Associations. Baptist Building CIO also participates in exhibitions at Baptist Assemblies. A website helps to further publicise this charity, and can be found at: www.baptistbuilding.org

Achievement and performance

Our Loans - Transforming Buildings for Mission

Over **£2.25M** on loan to **32 Churches**

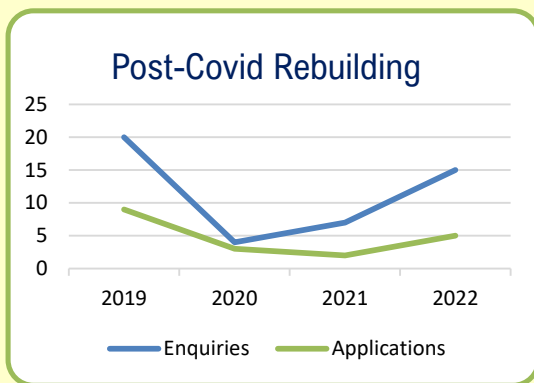
to help them to

REBUILD, EXPAND and **RENEW**

their buildings for mission



At year end, 32 loans were outstanding amounting to £2,254,165 after 5 churches completed their loan repayments in 2022.



During the year we received loan enquiries

from **15 Churches**

This was a significant increase from 2021 (7 enquiries) and indicates that church planning for building projects is recovering after the impact of Covid.

5 Churches applied for loans totalling **£685,000**

Of these:

- ➡ two applications amounting to £475,000 have been approved to be paid out when the loan conditions had been completed.
- ➡ the remaining 3 applications totalling £210,000 are going through our review process

New loans made

We paid out 1 loan of **£250,000**
to Fressingfield Baptist Church
(approved in 2021)
to support them in completing their
new-build church.



Achievement and performance

Our Grants - Empowering Change

Where we receive proceeds of sale from a closed church building, we seek to turn this into a blessing for other churches by making 25% available for grants in our Designated Fund to help fund small-scale building projects,

**making a
real difference**

to Church mission and outreach.



During 2022 we paid out grants to 4 churches amounting to **£36,540**

This helped to

add accessible toilets



and



replace doors and windows

From our September 2022 grant cycle, one grant of **£12,000** was approved for

**building a community garden
and safe play area**



(to be paid out once conditions are met)

**An Empowering Change story
from Ebenezer Baptist Church, Coalville**

£7,000 for new frontage & lobby doors and replacing old windows.

"The new doors are
transformational..."

...they give a modern view and are much more open and welcoming.
Many people have commented on the change.

Numbers at our Sunday service, Coffee Morning and Toddler Group are increasing.
We have just started a Craft and Chat group, attracting people not previously known to us.

We are **much encouraged** by these developments and believe the **improvements to the building** are definitely playing their part. We have just received in some **new members** and are having our **first baptism** for many a long year next week."

BAPTIST BUILDING CIO

ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Financial Review

The principal funding source for this charity is
thank-offerings donations received from churches
following completion of repayment of their loans.

In 2022 **£35,000** was donated to us as thank-offerings

These donations covered our Support Costs
(Administration & Governance, totalling £31,923).

We also receive other donations, plus legacies and sale proceeds of closed churches where Baptist Building CIO or its predecessors are named as the ultimate beneficiary.

During the year, the charity received £240 from the balance of proceeds of closed Churches where the Baptist Building Fund was the beneficiary of the ultimate trust.

No gifts in kind were received during 2022, and no fundraising activities were 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.

Availability of funds for loans

The Trustees wish to make the maximum amount of funds available to Baptist Churches and colleges that need assistance with their building projects by way of loans, rather than making investments.

At the end of 2022, **40%** of the funds available had been advanced to Churches by way of loans, leaving cash reserves of £3,423,978 at the end of the year. Of this sum at year end:

- ➡ £475,000 had been approved for loans to be made to churches for specific projects (subject to meeting conditions) to be drawn down by the churches as their funding requires.
- ➡ loan enquiries had been received which, if all progress to being successful loan applications, would utilise nearly £2 million of the available funds.

Plans for the future

In order to facilitate the policy of maximising the use of fund as loans to Churches, the Trustees intend to continue:

- ➡ publicising our loans through the relevant communication avenues
- ➡ making known the availability of funding to key personnel with the Baptist Denominations
- ➡ keeping under review the maximum loan limit and loan criteria



BAPTIST BUILDING CIO

ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Financial Policies

Investment policy and performance

The investment policy of the Fund of using interest bearing accounts with the charity's bankers is currently 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. However, the Trustees have planned a review of investment options in 2023 in light of the increased level of cash funds held by this charity and the current economic climate of increasing inflation and interest rates.

The main source of increasing the net asset base of the Fund is the closure and sale of Baptist churches where this charity or its predecessor, the Baptist Building Fund, is the ultimate beneficiary. The timing of funds from this source is outside the control of the 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, the 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 advisors with adequate professional indemnity insurance have been engaged by the church. Once a loan is made, this charity lodges its interest in the Church property with The Land Registry, or in some cases, takes a formal charge over it.

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 £16,000). 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.

The Trustees have the discretion make transfers between the General Fund and the Capital Fund as necessary.

Total Funds at 31 December 2022 amounted to £5,673,595, being made up of:

- ➡ **General Fund** balance amounting to **£21,423**, all of which were free reserves
- ➡ **Designated Fund** balance amounting to **£150,673** and related to monies set aside to be used by way of grants for projects within Baptist Churches.
- ➡ The remaining free reserves of **£5,501,499** being held in the **Capital Fund**. Of this, £2,254,165 is committed in the form of concessionary loans made, £475,000 has been offered as loans (subject to Churches meeting the conditions) and £2,772,334 is available for making loans.

BAPTIST BUILDING CIO

ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Structure, Governance and Management

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. Since June 2019 this charity has taken over the activities of the Baptist Building Fund (being the sole subscriber and trustee of that charity) and continues its good work.

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 7 of this Report. The Trustees were appointed in the Governing Document as approved by the Trustees of the 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.

Trustee Recruitment

New Trustees are recruited via networking and advertising within organisations of the Baptist Denomination. 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.

Governance

The Trustees all act in an honorary capacity, and generally give at least 4 days of their time each year in preparing for and attending Trustee Meetings. A number of Trustees with specialist expertise give more time to assist the workings of the charity on a voluntary basis, for example in reviewing loan or grant applications.

Trustee Meetings normally occur three times each year, either face-to-face or on-line. At their meetings, the Trustees transact the business of the charity, including making decisions about any loan and grant applications, ensuring that they conform to the Governing Document and general requirements of the charity. Trustees give due regard to any changes in laws applicable to charity trustees from time. Trustees are required to disclose all relevant interests and, in accordance with the charity's policy, to withdraw from decisions where a conflict of interest arises.

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. The Administrator deals with the day to day administration of the charity and prepares reports for presentation to the Board of Trustees at the Trustee Meetings.

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 notes 8 & 20 to the financial statements.

The remuneration of the Administrator is reviewed annually.

BAPTIST BUILDING CIO

ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Reference and administrative details

Charity Registration Number 1185767

Registered address
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 David M Leverett FCA
Reverend Ian J Bunce	Mr Andrew M Lewis BSc DipArb FRICS FCI Arb
Mr Eric Cousins FCCA	Mr P Michael Smedley FRICS ACI Arb
Reverend Catriona J M Gorton BA BSc (<i>resigned 28/06/23</i>)	Mr John Walker LLB DLP NP SSC
Mr O Philip Jones LLB	Dr Robert A Wordsworth

Administrator

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

Mrs Emily A Blake

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 2022

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 charity'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

28 June 2023

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 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 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

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 8), 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.

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.

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

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 2022

	Note	General Fund £	Designated Fund £	Capital Fund £	Total 2022 £	Total 2021 £
Income and endowments from:						
Donations and legacies	2	35,115	0	0	35,115	24,775
Investments	3	19,439	0	0	19,439	2,510
Other						
- Proceeds of ultimate trusts	4	0	0	240	240	1,398,216
Total income		54,554	0	240	54,794	1,425,501
Expenditure on:						
Charitable activities						
Cost of loan and grant making	5	31,923	36,540	0	68,463	407,886
Total expenditure		31,923	36,540	0	68,463	407,886
Net income		22,631	(36,540)	240	(13,669)	1,017,615
Transfers between Funds		(25,000)	119,591	(94,591)	0	0
Net Movement in Funds		(2,369)	83,051	(94,351)	(13,669)	1,017,615
Reconciliation of funds:						
Total funds brought forward	16	23,792	67,622	5,595,850	5,687,264	4,669,649
Total funds carried forward	16	21,423	150,673	5,501,499	5,673,595	5,687,264

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

The accompanying notes on pages 16 to 25 form part of these financial statements.

BAPTIST BUILDING CIO

BALANCE SHEET AS AT 31 DECEMBER 2022

	Note	2022	As restated 2021
		£	£
Fixed Assets			
Investments	9	2,254,165	2,729,495
Capital equipment	10	0	919
Current Assets			
Debtors	11	3,361	120,074
Investments	12	519,226	510,037
Cash at bank and in hand		2,904,752	2,369,658
		3,427,339	2,999,769
Creditors: Amounts falling due within one year	13	7,909	42,919
Net Current Assets		3,419,430	2,956,850
Total Assets less Current Liabilities being Net Assets		5,673,595	5,687,264
Charity Funds			
Unrestricted funds			
General Fund	17	21,423	23,792
Designated Fund	17	150,673	67,622
Capital Fund	17	5,501,499	5,595,850
		5,673,595	5,687,264

The financial statements were approved and authorised for issue by the Trustees on 28 June 2023

Signed on behalf of the Board of Trustees:

A C Burgess
Chairman

D M Leverett
Trustee

The accompanying notes on pages 16 to 25 form part of these financial statements.

BAPTIST BUILDING CIO

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2022

	2022 £	2021 £
Reconciliation of net movement in funds to net cash flow from operating activities		
Net movement in funds	(13,669)	1,017,615
Adjustments for:		
Interest received	(19,439)	(2,510)
Depreciation	919	918
Decrease/(increase) in debtors	116,713	(67,103)
(Decrease)/increase in creditors	(35,010)	29,162
Net cash provided by /(used in) operating activities	49,514	978,082
Cash flow from investing activities		
Interest received	19,439	2,510
Movements in loans to Churches		
Loans made	(250,000)	(350,000)
Loans repaid	725,330	465,030
Purchase of fixed assets	0	(1,837)
Net cash flow from investing activities	494,769	115,703
Change in cash and cash equivalents in the reporting period	544,283	1,093,785
Cash and cash equivalents at 31 December 2021	2,879,695	1,785,910
Cash and cash equivalents at 31 December 2022	3,423,978	2,879,695
Cash and cash equivalents consists of:		
Cash at bank and in hand	3,423,978	2,879,695
Cash and cash equivalents at 31 December 2022	3,423,978	2,879,695

BAPTIST BUILDING CIO

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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 7 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.

INCOME RECOGNITION

Donations and legacies

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 legacies 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.

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.

BAPTIST BUILDING CIO

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

INCOME RECOGNITION (continued)

Donations and legacies (continued)

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 (including Charitable Donations)

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, the Trustees have agreed to make a grant, and any conditions of the grant have been met.

IRRECOVERABLE VAT

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

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.

BAPTIST BUILDING CIO

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 2022

2 INCOME FROM DONATIONS AND LEGACIES	2022	2021
	£	£
Thank-offerings from Churches (see below)	35,000	24,400
Church Donations	115	0
Personal Subscriptions and Donations	0	375
	35,115	24,775
Thank-offerings from Churches	£	£
Andover	10,000	0
Bristol, Totterdown	0	3,500
Chipping Sodbury	12,000	0
Didsbury	0	900
Farnworth	3,000	0
Ipswich, Colchester Road	0	10,000
St Mary's, Dundee	2,000	0
Rothwell (Leeds)	0	0
Sevenoaks, The Vine	5,000	5,000
South Oxhey	0	5,000
Tarporley	3,000	0
	35,000	24,400
3 INCOME FROM INVESTMENTS	2022	2021
	£	£
Bank Interest	19,439	2,510
	19,439	2,510
4 PROCEEDS OF ULTIMATE TRUSTS	2022	2021
	£	£
Abertillery Baptist Church	0	102,306
Deal Baptist Church	0	100,000
Kingston, John Bunyan Baptist Church	0	1,195,910
Preston, Fishergate (balance)	240	0
	240	1,398,216

BAPTIST BUILDING CIO

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

5 CHARITABLE ACTIVITIES	2022	2021
	£	£
General Fund - Support costs		
Administrator's salary/fees (see note 7)	14,274	14,502
Travel costs	1,084	1,304
Computer consultancy	185	190
Printing, stationery, postage and telephone	249	360
Bank charges	220	229
Insurance	3,448	3,246
General publicity	20	20
Website	249	129
Governance costs (see note 6)	11,025	12,772
Depreciation on fixed assets	919	918
Charitable Donations	250	0
	31,923	33,670

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

Designated Fund - Grants	£	£
Coatbridge Baptist Church	10,090	0
Ebenezer Baptist Church, Coalville	7,000	0
Ewhurst Baptist Church	6,850	0
Ewyas Harold Baptist Church	0	4,239
Hainault Baptist Church	0	11,000
Heanor Baptist Church	0	15,000
Montacute Baptist Church	0	10,000
Oxford, John Bunyan Baptist Church	0	10,000
Rainham Christian Fellowship	12,600	0
Sutton St James Baptist Church	0	25,000
	36,540	75,239
	68,463	108,909

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.

Capital Fund - Grant	£	£
The London Baptist Property Board Limited	0	298,977
	0	298,977

BAPTIST BUILDING CIO

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

6 GOVERNANCE COSTS	2022	2021
	£	£
Trustees' Meetings	2,030	3,043
Audit fees	6,360	5,940
Audit fees due to previous auditors	0	1,320
Independent examination of Baptist Building Fund	960	900
Legal fees	1,675	1,569
	11,025	12,772
 7 EMPLOYEES	 2022	 2021
	£	£
Staff costs during the year were as follows:		
Wages and salaries	13,859	8,667
National Insurance costs	0	48
Pension costs (NEST - see note 22)	415	260
	14,274	8,975

The average number of employees during the year was 1 (2021:1).

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

8 PAYMENTS TO TRUSTEES AND CONNECTED PERSONS

a) Payments to Trustees

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.

Expenses reimbursements paid to 6 (2021: 9) trustees during the year amounted to £1,619 (2021: £1,565) in respect of travelling and other expenses incurred on behalf of the charity.

b) Payments to Administrator

During 2022, the employment costs of the Administrator totalled £14,274 (2021: £14,502 including consultant fees), being the remuneration of the key management personnel. The Administrator was reimbursed for travelling expenses, postage, stationery, telephone, fixed assets, Land Registry fees and website costs amounting to £814 (2021: £3,325).

BAPTIST BUILDING CIO

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

9 FIXED ASSET INVESTMENTS

SOCIAL INVESTMENTS LOANS TO CHURCHES

	Programme related investments	
	2022	2021
	£	£
Cost at 1 January 2022	2,729,495	2,844,525
Loans made (see below)	250,000	350,000
Loans repaid	(725,330)	(465,030)
At 31 December	2,254,165	2,729,495

No interest is charged on the loans, which are usually secured by registering this Fund's interest with The Land Registry or by a formal legal charge on the property. Loans are repayable over ten years. Loans amounting to £404,894 (2021: £444,830) are due within one year, and £1,849,271 (2021: £2,284,665) are due after more than one year.

Concessionary Loan Commitments

At the end of the period, the Trustees agreed to make finance available as loans to two churches totalling £475,000 (2021: one church of £250,000) subject to conditions yet to be fulfilled. The advancement of any agreed loan may be affected by the availability of liquid funds of this charity and the projects for which churches had requested payment of the loans. Some of the agreed loans may not be taken up by the churches during the next 12 months.

LOANS ADVANCED TO CHURCHES

The following loans were advanced during the period: -	2022	2021
	£	£
Dover	0	30,000
Fressingfield	250,000	0
Sutton-in-the-Elms	0	250,000
Swansea, Aenon	0	30,000
West Bromwich	0	40,000
	250,000	350,000

10 FIXED ASSETS

	Office equipment	2022 Total	2021 Total
	£	£	£
Cost brought forward	1,837	1,837	0
Additions	0	0	1,837
Cost at 31 December 2022	1,837	1,837	1,837
Depreciation brought forward	918	918	0
Charge for the year	919	919	918
Depreciation at 31 December 2022	1,837	1,837	918
Net book value at 31 December 2022	0	0	919

BAPTIST BUILDING CIO

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

11 DEBTORS	2022	2021
	£	£
Other debtors	3	117,205
Prepayments	3,358	2,869
	3,361	120,074

Debtors amounting to nil (2021: nil) may not be recoverable within one year.

12 CURRENT ASSET INVESTMENTS	2022	2021
	£	£
Unlisted investments	519,226	510,037
	519,226	510,037

13 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2022	2021
	£	£
Trade creditors	589	36,079
Accruals and deferred income	7,320	6,840
	7,909	42,919

14 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.

15 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.

16 CAPITAL FUND

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

BAPTIST BUILDING CIO

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

17 ANALYSIS OF CHARITABLE FUNDS

Analysis of fund movements 2022

	Balance brought forward £	Income £	Expenditure £	Transfers £	Balance carried forward £
Unrestricted funds					
General Fund	23,792	54,554	31,923	(25,000)	21,423
Designated Fund	67,622	0	36,540	119,591	150,673
Capital Fund	5,595,850	240	0	(94,591)	5,501,499
	5,687,264	54,794	68,463	0	5,673,595

Analysis of fund movements 2021

	Balance b/f £	Income £	Expenditure £	Transfers £	Balance c/f £
Unrestricted funds					
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
	4,669,649	1,425,501	407,886	0	5,687,264

Analysis of net assets between funds 2022

	General fund £	Designated fund £	Capital fund £	Total £
Fixed Assets	0	0	2,254,165	2,254,165
Current assets	29,332	150,673	3,247,334	3,427,339
	29,332	150,673	5,501,499	5,681,504
Current liabilities	7,909	0	0	7,909
	21,423	150,673	5,501,499	5,673,595

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
	66,711	67,622	5,595,850	5,730,183
Current liabilities	42,919	0	0	42,919
	23,792	67,622	5,595,850	5,687,264

The purpose of each fund is described in notes 14 to 16, 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 2022

18 ANALYSIS OF CHANGES IN NET DEBT

	At 1 January 2022	Cashflow	At 31 December 2022
	£	£	£
Cash at bank and in hand	2,879,695	544,283	3,423,978

19 CONTINGENT LIABILITIES

As at 31 December 2022 a £12,000 grant had been awarded to Darkhouse BC for building a community garden and safe play area. This grant had not been paid out at year-end because the necessary conditions had not been met.

20 EVENTS AFTER THE REPORTING DATE

There have been no relevant events after the reporting date.

21 RELATED PARTY TRANSACTIONS

With the exception of the reimbursement of expenses and remuneration as set out in note 8 on page 21, there were no transactions between the Trustees and the charity during the year.

22 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 £415 (2021: £260). £Nil (2021: £76) was due to the fund at the balance sheet date.