Grace Baptist Association

England & Wales · Charity number 276352

Details

Other names	THE ASSOCIATION OF GRACE BAPTIST CHURCHES (SOUTH EAST), AGBC (SE)
Status	Registered
Legal form	Other
Registered	1978-09-08
Register	View on the Charity Commission register

Contact

Address	Grace Baptist Charities Limited 62 Bride Street London N7 8AZ
Phone	02072871200
Email	office@gracebaptists.org
Website	www.gracebaptists.org

Activities

Objects: UPHOLD AND PROMOTE THE DOCTRINAL BASIS. TO PROMOTE THE UNITY AND PROSPERITY OF ASSOCIATED CHURCHES AND TO DEVISE AND EMPLOY MEANS FOR THE FURTHERANCE OF THE GOSPEL OF GOD, PRIMARILY IN THE GEOGRAPHICAL AREA. THE GEOGRAPHICAL AREA IS DEFINED AS: LONDON, BEDFORDSHIRE, BERKSHIRE, BUCKINGHAMSHIRE, CAMBRIDGESHIRE, ESSEX, HAMPSHIRE, HERTFORDSHIRE, KENT, OXFORDSHIRE, NORFOLK, SUFFOLK, SURREY AND SUSSEX

Activities: Objects of the Association are to:1 uphold and promote the Doctrinal Basis2 promote the unity and prosperity of its Member Churches3 assist the Member Churches in their charitable purposes as recognised in English Law4 devise and employ means for the furtherance of the gospel primarily in the Home Counties Geographical Area.

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Classification

- **How:** Makes Grants To Individuals, Makes Grants To Organisations, Provides Human Resources, Provides Buildings/facilities/open Space, Provides Services, Provides Advocacy/advice/information, Acts As An Umbrella Or Resource Body
- **What:** Religious Activities
- **Who:** Children/young People, Elderly/old People, People With Disabilities, Other Charities Or Voluntary Bodies, Other Defined Groups, The General Public/mankind

Geography

- **Area of benefit:** SEE OBJECTS
- Buckinghamshire
- East Sussex
- Essex
- Hampshire
- Hertfordshire
- Kent
- Oxfordshire
- Surrey
- West Sussex
- Throughout London

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£424,391	£519,335	-	-
2023-12-31	£1,624,014	£536,088	£7,941,603	5
2022-12-31	£334,245	£512,501	-	-
2021-12-31	£541,717	£616,270	£7,253,104	6
2020-12-31	£358,043	£529,551	-	-

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Trustees

Name	Role	Appointed
Adrian John Creedy		2017-10-07
Alessandro Miranda Brito		2025-10-04
Andrew James Wigham		2016-10-01
Antony Patrick Rummery		2024-10-05
Ben Owain Jones		2019-10-18
COLIN CLARKSON		2024-10-01
Christine Richards		2024-10-05
David Mortimer		2013-10-05
David Skull		2024-10-06
Dr Martin Christopher Tatham		2025-10-04
Grayson Fuhrman		2024-10-05
JAMES DAVID SAYERS		2020-10-03
John Rimes		2024-10-05
MARGARET O'MARA		
Matthew Benton		2024-10-05
Matthew John Hodson		2025-10-04
Olawale Akintunde Akinrogunde		2024-10-06
Paul Jonathan Smith		2020-10-03
Peter John Fearnley		2024-10-05
Peter Thomas Fuggle		2019-10-18
Robert Barry King		2025-10-04
Ryan Burton King		2016-10-01
Stephen Whitton		2025-10-04
Thomas Copperwheat		2024-10-06

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Linked charities

- GENERAL FUND (276352-1)
- LOAN FUND (276352-2)
- BENEVOLENT FUND (276352-3)
- PASTOR'S RETIRING AND WIDOWS' FUND (276352-4)
- PASTORAL AID FUND (276352-5)

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Grace Baptist Association

England & Wales - Charity number 276352

Accounts

ASSOCIATION OF
GRACE BAPTIST CHURCHES
(SOUTH EAST)

FINANCIAL STATEMENTS

FOR THE
YEAR ENDED 31 DECEMBER 2024

Charity number: 276352

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2024

The trustees have pleasure in submitting their report and the audited financial statements for the Association for the year ended 31st December 2024. They have been prepared in the format prescribed by the Statement of Recommended Practice (FRS102) 'Accounting and Reporting by Charities' issued by the Charity Commission.

Objectives and Activities

Objectives

The objects of the Association are to:

1 uphold and promote the Doctrinal Basis

2 promote the unity and prosperity of its Members

devise and employ means for the furtherance of the gospel, primarily in the Geographical Area. The Geographical Area is defined as:

3 London, Bedfordshire, Berkshire, Buckinghamshire, Cambridgeshire, Essex, Hampshire, Hertfordshire, Kent, Oxfordshire, Surrey and Sussex.

Policies

The trustees seek to achieve the objects of the Association by encouraging fellowship between churches in prayer, evangelism and practical concern through an Annual Meeting, Training Events and regular District meetings and activities; supporting member churches in their initatives for the planting and re-planting of churches in spiritually needy areas; providing help with evangelism through appointed staff, the provision of conferences and seminars; production of a prayer bulletin and other e-mail circulars. The trustees also seek to ensure member churches continue to function effectively by keeping them informed regarding legislation and practical matters relating to property, finance, taxation, insurance etc.

The trustees confirm that they have had due regard to the guidance issued by the Charity Commission on public benefit when planning their activities for the year.

Grant-making Policies

The charity invites applications for funding from churches who are affiliated to the Association of Grace Baptist Churches (South East). The applications are reviewed against specific criteria and objectives, which are set by the Committee. All funded projects are monitored and reviewed on an annual basis.

The charity may also make small grants to individual church members and pastors from churches who are affiliated to the Association of Grace Baptist Churches (South East).

Achievements and Performance

The Association fulfilled its objectives throughout the year.

The Association had 78 member churches and two church plants at the end of 2024. There is a wide range of activities within these churches including weekly public worship services, Sunday schools, prayer meetings, children's and young people's groups, clubs for the elderly and outreach events reaching many diverse communities.

In March 2024, the Charity organised its third Pastors' & Elders' Overnighter conference held at the High Leigh Conference Centre in Hertfordshire. Over 75 men attended and listened to preaching as well as interacting in group discussions. The Saturday 'Saved2Serve' conference for young people interested in Christian service took place as a day conference at the end of March 2024 with around 70 young people attending

In June, the Charity organised its second Summer Conference aimed at inviting trainee pastors and pastors from non-Association churches to hear high quality lectures from a Baptist theologian. The speaker was Leonardo De Chirico from Italy who spoke on 'Same Words, Different Words' comparing the view of Evangelicals and Roman Catholics to the word of God. In October 2024 the Charity also ran its second residential conference for 15 trainee pastors before the annual Association Day. The main speaker at both events was Greg Gilbert from Third Avenue Baptist Church, Louiseville, Kentucky, USA.

The churches gathered in person for our Association Day and AGM in October 2024 and we were pleased to welcome several pastors who had been appointed to Churches during the previous year. The day included teaching ministry and church reports as well as a presentation by James Mildred from CARE on the Assisted Dying Bill. The AGM welcomed 8 new churches to the Association, the largest intake in many years with churches from the former Association of Grace Baptist Churches (West Anglia) joining.

The Association continued to be involved in supporting ongoing church planting projects including Brighton, Didcot and Greenwich. The Association also provided training grants to two men from Association churches to enable them to undertake theological training.

The Association also continued to foster practical help and support between churches at local level by encouraging activities in the five geographical districts within the Association. This is reflected in ongoing district prayer meetings, leadership fraternals, joint events and general inter-church fellowship. A consultation was launched regarding a proposal to restructure the geographical districts to reflect the recent new churches that have joined and the differing contexts from urban and rural churches.

Financial help was given to churches and individuals in the form of grants (benevolent) including a special Hardship Fund grant to help churches struggling with the current high cost of electricity and gas.

Financial Review and Future plans

The total funds of the charity increased to £8,078,675 during 2024, a increase of 1.7%. This included unrealised gains of £236,578 on the revaluation of investments, due to capital growth in the stock markets, which offset the deficit for the year.

The movement on funds before taking into account all gains on investments was a deficit of £94,944. The deficit on the General Fund was £126,637. By contrast, the surplus in 2023 was a result of a exceptional proceeds from the sale of two redundant manses. If the exceptional proceeds are excluded then the Association incurred a deficit on its General Fund in 2023.

Income

Total income in 2024 decreased by 72.1%. This was split between a decrease of £1,115,134 in unrestricted funds' income and a increase of £18,910 in restricted funds' income. This was due to exceptional income in the prior year resulting from the sale of two redundant manses. One of manses was previously held as Charitable property but for the other the Association was the ultimate beneficiary upon closure of the church. If the exceptional income is excluded, the income on the General Fund increased by 14.5%. This is mainly due to an increase in investment income on the exceptional proceeds received last year.

Expenditure

Total expenditure increased by £66,447. This was split between a increase of £62,075 in unrestricted funds' expenditure and a increase of £4,372 in restricted funds' expenditure. The General Fund increase arose due to an increase in staff costs due to the appointment of an Operations Manager and the costs of the summer and residential conference.

Financial Review

A comprehensive financial review takes place each November and policies and budgets for the year ahead are established and refined. Through the year, the budget is compared with actual performance at the Committee meetings following the end of each quarter. This informs the budget for the new calendar year.

Investment powers

The trustees have power to invest, subject to the Trustee Act 2000, and seek to avoid investments which are inconsistent with evangelical ethical standards.

Investment policy

The Investment Policy was reviewed in 2021 with the help of an independent financial adviser and is regularly discussed with the Investment managers to ensure it remains up to date. The Trustees choose to invest the exceptional proceeds from the Kew redundant Manse in a new portfolio with an alternative investment manager to further diversify the Association's investments.

REPORT OF THE TRUSTEES FOR THE
YEAR ENDED 31 DECEMBER 2024
(continued)

Reserves policy

It is the policy of the charity to maintain unrestricted funds, which are free reserves of the charity, at a level that equates to approximately six months' unrestricted expenditure. This provides sufficient funds to cover support costs, management and administration and to respond to emergency applications for grants that may arise from time to time.

Fundraising

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

Structure, Governance and Management

The Association was constituted on 10th March 1871. The Association is registered as a charity under reference number 276352.

The Committee

The following extracts are taken from the Constitution and Rules of the Association:

7.1 The Committee are charity trustees of the Association and its property and funds.

7.2 The Committee when complete consists of

7.2.1 twenty elected members elected in accordance with this clause or such other policies and procedures as may be adopted from time to time.

7.2.2 the District Representatives

7.2.3 the Treasurer

7.3 Up to 3 persons, who shall not be trustees or have any voting rights, may be co-opted by and to the committee for the period up to the next AGM.

7.4 Election to Committee membership is open to any individual who is a member of a Member church and approved for election by that Member church. Notwithstanding clause 7.1, an employee of the Association may be a member of the Committee with the prior written consent of the Charity Commission.

7.5 The election of Committee members is by secret ballot.

7.6 No person shall be an elected member unless the number of votes he or she receives equals or exceeds the number which is one third of the Messengers (from Member churches) present at the relevant AGM.

7.7 Subject to clause 7.9 the election or appointment of each Committee member (except co-optees) shall be for a term of three years. Committee members shall (if otherwise qualified) be eligible for re-election or re-appointment as from the end of such term.

7.8 Every Committee member must sign a declaration of willingness to act as a charity trustee of the Association before he or she is eligible to vote at any meeting of the Committee.

7.13 The membership of the Committee shall so far as possible (and consistent with the above provisions) be balanced equally between individuals in full time pastoral or other Christian ministry and individuals from other backgrounds, especially those with experience of property, financial, legal and administrative matters, that is to say individuals who are or have been engaged in a profession, business or trade.

Connected Charities

The Association is connected to **Grace Baptist Charities Limited**. This charity holds funds on deposit for the Association.

Risk management

The trustees have assessed the principal risks to which the charity is exposed, in particular those related to the operations and finance of the charity and are satisfied that systems are in place to mitigate its exposure to the major risks. A risk register is maintained and reviewed.

Key risks and the steps taken to mitigate these include liquidity (properties and investments can be sold to provide greater liquidity); loss of data and systems (mitigated by contracting with external supplier of I.T. support and off-site backups); and loss of key personnel (processes documented).

Induction and training of trustees

An induction letter is sent to new trustees which refers to their key role and liability and lists responsibilities which trustees are charged with fulfilling. Enclosed with the letter is the publication by the Charity Commission entitled "The Essential Trustee: What you need to know". The letter has been updated to indicate that trustees will be informed about training opportunities from time to time. The charity's fund managers, Investec, run a series of training seminars each year.

REPORT OF THE TRUSTEES FOR THE
YEAR ENDED 31 DECEMBER 2024
(continued)

Arrangements for setting pay and remuneration of key management personnel

The Association's pay policy confirms the arrangements for setting levels of remuneration:

- All employees' salaries are reviewed annually as at 1st January of each year.
- The Executive Committee sets the rate of annual increase to be applied for all employees as part of the Financial Review in November. This is reported to the Main Committee.
- Any other changes to salaries or terms and conditions are agreed by the Executive Committee and reported to the Main Committee.

Responsibility of duties and delegation.

The following extracts are taken from the Constitution and Rules of the Association:

Powers of the Committee:

10.1 to appoint a Treasurer subject to approval by the Member churches in general meeting and other honorary officers.
10.2 to delegate any of their functions to sub-committees consisting of three or more persons appointed by them.
10.3 to elect an Executive with the composition, function and delegated powers set out in clauses 11 and 12.2.
10.4 to make Standing Orders consistent with this Constitution to govern proceedings at General Meetings.
10.5 to make Rules consistent with this Constitution about the Committee and sub-committees.
10.6 to make Regulations consistent with this Constitution about the running of the Association .

Powers of the Executive:

11.1 The Executive when complete shall consist of the Chairman, the Treasurer, and six other Committee members elected by the Committee by secret ballot.

11.2 The Committee may hold an election to fill a vacancy (whether actual or anticipated) at any time it considers it expedient, and must hold an election before the end of any calendar year in which an Executive member's membership expires under clause 11.3.2

11.3 Membership of the Executive shall

11.3.1 take effect from

11.3.1.1 the date which the vacancy actually arises (whether through expiry, retirement, disqualification or otherwise) or

11.3.1.2 the date of the determination of the result of the relevant election whichever is the later.

11.3.2 (subject to clause 11.3.3) be for a period ending on the 31st of December three years after the end of the year in which the member was elected at the end of which period members of the Executive shall (if otherwise qualified) be eligible for re-election

11.3.3 immediately terminate if the Executive member shall cease (without re-election or re-appointment) to be a member of the Committee.

11.4 Each member of the Executive shall unless disqualified by law serve as a director of the Company (Grace Baptist Charities Limited).

11.5 The Executive shall formulate, review, and prepare recommendations as to, matters for discussion or decision at meetings of the Committee or at general meetings.

11.6 The Executive shall be available for consultation on matters within the Association Secretary's or the Finance Officer's remit and shall have the power to take decisions in matters touching the Association or Member churches on behalf of the Association Secretary or the Committee in cases of emergency where in the reasonable judgment of the Executive the matter cannot await a regular or special Committee meeting.

Responsibility of duties and delegation continued

Powers delegated to staff:

12.1 Subject to clause 12.3 the Committee shall appoint such employees as are necessary for the satisfactory running of the Association and of the Company including

12.1.1 the following Officers

12.1.1.1 an Association Secretary who shall be responsible for the day-to-day running of the Association.

12.1.1.2 a Finance Officer who shall be responsible for the financial affairs of the Association and of the Company.

12.1.2 an employee who shall serve as Company Secretary of the Company

and each of whom shall be accountable to the Committee for the discharge of these responsibilities.

12.2 The Association Secretary, Finance Officer and Company Secretary shall be required, unless indisposed, to attend Committee meetings and Executive meetings.

12.3 The power to fix employees' terms of employment (including salary and job description) shall be delegated and reserved to the Executive.

REPORT OF THE TRUSTEES FOR THE
YEAR ENDED 31 DECEMBER 2024
(continued)

Reference and Administrative Details

Trustees during the year were:

P Fuggle (Chairman)	B O J Jones	J Rimes (Appointed Oct 2024)
O Akinrogunde (Appointed Oct 2024)	R B King	T Rummery (Appointed Oct 2024)
M Benton (Appointed Oct 2024)	S J Lloyd (resigned Sept 2024)	J Sayers
C Clarkson (Appointed Oct 2024)	Miss M O' Mara;	D Skull (Appointed Oct 2024)
T Copperwheat (Appointed Oct 2024)	J Southcombe (Treasurer) (resigned Oct 2024),	P Smith
A Creedy	D J Mortimer (Treasurer from Oct 2024),	A J Wigham
P Fearnley (Appointed Oct 2024)	C Mukanga	P M Woodley (resigned Oct 2024)
G Fuhrman (Appointed Oct 2024)	C Richards (Appointed Oct 2024)	

Key management personnel during the year were:

Association Secretary	A King
Company Secretary of Grace Baptist Charities Ltd	L Winmill
Finance Officer	A M Gardner
Operations Manager	D Stewart

The registered office is at 62 Bride Street, London, N7 8AZ

The principal advisers of the charity are as follows:

Registered Auditors:	Xeinadin Audit Limited, 5 Robin Hood Lane, Sutton, Surrey SM1 2SW
Bankers	CAF Bank Limited, 25 Kingshill Avenue, Kingshill, West Malling, Kent ME19 4JQ
Investment advisers	Investec Wealth and Investment Ltd, 2 Gresham Street, London EC2 7QP Rathbones Investment Management, 8 Finsbury Circus, London, EC2M 7AZ
Principal Solicitors	Carter, Lemon Camerons LLP, 10 Aldersgate Street, London, EC1A 4HJ Edward Connor Solicitors, 10 The Point, Market Harborough, LE16 7QU

Trustees Responsibilities

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

Law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the charity's financial activities in the year and of its financial position at the end of the year. In preparing financial statements giving a true and fair view, the trustees are required to:

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

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which enable them to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

FOR AND ON BEHALF OF THE TRUSTEES

D. J. Mortimer

D Mortimer
Trustee

62 Bride Street, London, N7 8AZ

7th July 2025

REPORT OF THE INDEPENDENT AUDITOR TO THE TRUSTEES OF ASSOCIATION OF GRACE BAPTIST CHURCHES (SOUTH EAST)

Opinion

We have audited the financial statements of the Association of Grace Baptist Churches (South East) (the "Charity") for the year ended 31 December 2024 which comprise the Statement of Financial Activities, Balance Sheet, 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 UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 December 2024 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 these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the 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 Charity's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

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

Other information

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

REPORT OF THE INDEPENDENT AUDITOR
TO THE TRUSTEES OF
ASSOCIATION OF GRACE BAPTIST CHURCHES (SOUTH EAST)
(continued)

Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement, 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 they 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 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

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

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

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

In response to the risks identified we designed procedures which included, but were not limited to challenging significant accounting estimates, evaluating the Charity's internal controls and verification of investment and property transactions.

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

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

Use of our report

This report is made solely to the 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.

Xeinadin Audit Ltd

19 SEPTEMBER 2025

Xeinadin Audit Limited,
Statutory Auditor
Chartered Accountants

5 Robin Hood Lane,
Sutton,
Surrey
SM1 2SW

Xeinadin Audit Limited is eligible for appointment as auditor of the Charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED 31 DECEMBER 2024

	Note	Unrestricted Funds £	Restricted Funds £	*2024* Total Funds £	*2023** Total Funds £
Income from:					
Donations and legacies	2	184,786	54,327	239,113	221,538
Charitable activities	3	37,963	-	37,963	36,253
Investments	4	111,050	18,837	129,887	120,671
Other Income: Surplus on sale of fixed asset	5	17,428	-	17,428	1,142,153
Total Income		**351,227**	**73,164**	**424,391**	**1,520,615**
Expenditure on:					
Raising funds	6	21,083	2,857	23,940	14,693
Charitable activities	7	426,960	68,435	495,395	438,195
Total expenditure		**448,043**	**71,292**	**519,335**	**452,888**
Operating (deficit) / surplus		**(96,816)**	**1,872**	**(94,944)**	**1,067,727**
Net gains on investments					
Realised (losses) / gains on investments		(9,024)	4,462	(4,562)	52,822
Unrealised gains on investments	13	230,383	6,195	236,578	113,449
Total net gains on investments		**221,359**	**10,657**	**232,016**	**166,271**
Net income		**124,543**	**12,529**	**137,072**	**1,233,998**
Transfers between funds		**(7,264)**	**7,264**	-	-
Net movement in funds		**117,279**	**19,793**	**137,072**	**1,233,998**
Reconciliation of funds:					
Funds brought forward		7,461,639	479,964	7,941,603	6,707,605
Funds carried forward	17 & 18	**7,578,918**	**499,757**	**8,078,675**	**7,941,603**

No activities were acquired or discontinued during the year.

* For analysis of unrestricted and restricted financial activities for 2023, see next page.

STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED 31 DECEMBER 2024

**Analysis of financial activities for previous year :*	2023		
	Unrestricted Funds £	*Restricted Funds* £	*2023 Total funds* £
Income and endowments from:			
Donations and legacies	183,646	37,892	221,538
Charitable activities	36,253	-	36,253
Investments	104,309	16,362	120,671
Other Income: Surplus on sale of fixed asset	1,142,153	-	1,142,153
Total income and endowments	**1,466,361**	**54,254**	**1,520,615**
Expenditure on:			
Raising funds	13,532	1,161	14,693
Charitable activities	372,436	65,759	438,195
Total expenditure	**385,968**	**66,920**	**452,888**
Operating surplus / (deficit)	**1,080,393**	**(12,666)**	**1,067,727**
Net gains / (losses) on investments:			
Realised gains on investments	52,347	474	52,821
Unrealised gains / (losses) on investments	124,872	(11,422)	113,450
Total net gains / (losses) on investments	**177,219**	**(10,948)**	**166,271**
Net income / (expenditure)	**1,257,612**	**(23,614)**	**1,233,998**
Transfers between funds	**(7,630)**	**7,630**	
Reconciliation of funds:			
Funds brought forward	6,211,657	495,948	6,707,605
Funds carried forward	**7,461,639**	**479,964**	**7,941,603**

BALANCE SHEET
AT 31ST DECEMBER 2024

	Note	£	2024 £	£	2023 £
Fixed assets					
Tangible assets	12		3,325,126		3,330,439
Investments	13		4,466,353		4,277,347
			7,791,479		7,607,786
Current assets					
Loans	14	25,001		2,660	
Debtors	15	28,669		25,294	
Cash deposited with Grace Baptist Charities Ltd		254,263		337,416	
Cash in hand		371		428	
Total current assets		308,304		365,798	
Liabilities					
Creditors: Amounts falling due within one year:					
Other creditors	16	21,108		31,981	
Net current assets			287,196		333,817
Total net assets	19		8,078,675		7,941,603
The funds of the charity:					
Unrestricted funds			7,578,918		7,461,639
Restricted funds	18		499,757		479,964
Total funds	19		8,078,675		7,941,603

These financial statements were approved by the trustees on 7th July 2025 and signed on their behalf by:

D. J. Mortimer

D Mortimer
Trustee

STATEMENT OF CASH FLOWS
YEAR ENDED 31 DECEMBER 2024

Statement of cash flows:	Table	*2024 Total Funds* £	*2023 Total Funds* £
Cash flows from operating activities:			
Net cash provided by (used in) operating activities	A	(273,707)	(192,243)
Cash flows from investing activities:			
Dividends, interest and rent from investments		131,883	114,087
Proceeds from sale of property		17,428	1,730,446
Purchase of property and equipment		(1,439)	(17,199)
Proceeds from sale of other investments		(384)	(2,309)
Proceeds from sale of investments		764,560	1,812,014
Purchase of investments		(721,551)	(3,290,178)
Net cash provided by investing activities		190,497	346,861
Change in cash and cash equivalents in the reporting period		**(83,210)**	**154,618**
Cash and cash equivalents at the beginning of the reporting period		337,844	183,226
Cash and cash equivalents at the end of the reporting period	B	**254,634**	**337,844**

Table A - Reconciliation of net income / (expenditure) to net cash flow from operating activities:	*2024* £	*2023* £
Net income for the reporting period (as per the statement of financial activities)	137,072	1,233,998
Depreciation charges	6,752	7,631
Equipment reclassified as expenditure (ie. written off)	-	-
(Gains) / losses on investments	(232,016)	(166,271)
Dividends, interest and rent from investments	(129,887)	(120,671)
Surplus on sale of fixed assets	(17,428)	(1,142,153)
(Increase) in debtors	(27,712)	(121)
(Decrease) in creditors	(10,488)	(4,656)
Net cash provided by (used in) operating activities	(273,707)	(192,243)

Table B - Analysis of cash and cash equivalents:		
Cash in hand	371	428
Cash in hand with Grace Baptist Charities Ltd	254,263	337,416
Total cash and cash equivalents	**254,634**	**337,844**

NOTES TO THE ACCOUNTS
YEAR ENDED 31 DECEMBER 2024

1 ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

(a) Accounting convention

The financial statements have been prepared under the Charities Act 2011 and in accordance with the Charities Statement of Recommended Practice (Charities SORP (FRS 102)) and Financial Reporting Standard 102 (FRS 102). The financial statements are drawn up on the historical cost basis of accounting, as modified by the revaluation of investment properties and other investments. The financial statements are prepared in pounds sterling rounded to the nearest pound.

The Association of Grace Baptist Churches (South East) meets the definition of a public benefit entity under FRS 102. It is an unincorporated charitable trust with registered address of 62 Bride Street, London, N7 8AZ

(b) Going concern

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

(c) Income

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

Investment income is recognised on an accruals basis.

(d) Expenditure

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

(e) Fixed assets

Fixed assets held for charity use are stated at cost. Where freehold and leasehold properties are maintained to such a standard that their estimated residual value is in excess of their net book value at any time and depreciation is immaterial, no depreciation is charged.

(f) Depreciation

Where properties are maintained to such a standard that their estimated residual value is in excess of their net book value at any time and depreciation is immaterial, no depreciation is charged.

Depreciation is provided on all other tangible fixed assets at rates calculated to write off the cost or valuation of each asset over its expected useful life as follows:

Fixtures and fittings	-	Between 10% and 20% on cost
Computer equipment	-	Between 10% and 33% on cost

(g) Investments

Investments and investment properties are stated at market value. The trustees review the value of investment properties annually and obtain external valuations every five years.

Realised and unrealised gains and losses arising on the disposal or revaluation of investments and investment properties are included in the Statement of Financial Activities.

(h) Debtors

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

(i) Cash deposited with Grace Baptist Charities Ltd

Cash deposited with Grace Baptist Charities Ltd is a short term highly liquid investment with a short maturity of three months or less from the date of opening of the deposit.

NOTES TO THE ACCOUNTS
YEAR ENDED 31 DECEMBER 2024
(Continued)

(j) **Creditors**

Creditors and provisions are recognised where the charity has a present obligation arising from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are recognised at their settlement amount.

(k) **Pensions**

The charity operates a defined contribution pension scheme. Contributions payable are charged in the Statement of Financial Activities.

2 INCOME FROM DONATIONS & LEGACIES

	2024 Unrestricted	2024 Restricted	2024 Total	2023 Total
	£	£	£	£
Donations from churches	54,473	10,000	64,473	51,603
Other donations	1,712	376	2,088	1,985
Grant from Grace Baptist Charities Ltd	68,601	-	68,601	60,677
Other grants received	60,000	43,951	103,951	107,273
	184,786	54,327	239,113	221,538

3 INCOME FROM CHARITABLE ACTIVITIES

Rent received from tangible assets	21,904	-	21,904	20,225
Income from other charitable activities	16,059	-	16,059	16,028
	37,963	-	37,963	36,253

4 INCOME FROM INVESTMENTS

	2024 Unrestricted	2024 Restricted	2024 Total	2023 Total
	£	£	£	£
Investments listed on recognised stock exchange	103,071	1,579	104,650	79,094
Investments properties - regular income	-	14,277	14,277	12,810
Deposit interest	7,979	2,981	10,960	28,767
	111,050	18,837	129,887	120,671

5 OTHER INCOME

	2024 Unrestricted	2024 Restricted	2024 Total	2023 Total
Proceeds from the sale of a redundant Manse (Kew)	-	-	-	987,859
Surplus from the sale of Fixed Assets	17,428	-	17,428	154,294
	17,428	-	17,428	1,142,153

6 EXPENDITURE ON RAISING FUNDS

	2024 Unrestricted	2024 Restricted	2024 Total	2023 Total
	£	£	£	£
Investment property expenditure	-	2,289	2,289	668
Investment management	21,083	568	21,651	14,025
	21,083	2,857	23,940	14,693

NOTES TO THE ACCOUNTS
YEAR ENDED 31 DECEMBER 2024
(Continued)

7 EXPENDITURE ON CHARITABLE EXPENSES

	Note	2024 Unrestricted £	2024 Restricted £	2024 Total £	2023 Total £
Staff costs	8	284,602	22,803	307,405	242,273
Property expenditure		39,306	1,757	41,063	38,378
Grants payable	10				
Churches and institutions		29,700	19,736	49,436	68,915
Individuals		3,735	23,042	26,777	28,066
Home Mission costs exc. Personnel		-	964	964	2,068
Office and stationery costs		22,582	-	22,582	17,791
Photocopier costs including rentals		3,713	-	3,713	2,411
Depreciation		6,752	-	6,752	7,631
Website and publications		1,734	-	1,734	2,547
Provision of conferences and training		24,718	-	24,718	17,817
Management charge		-	-	-	-
Trustees' indemnity insurance		425	-	425	397
Bank charges and interest		369	-	369	273
		417,636	68,302	485,938	428,567
Governance costs:					
Legal and professional fees		1,572	-	1,572	-
Auditors' fees	11	5,198	-	5,198	4,956
Costs of meetings		2,554	133	2,687	4,672
		9,324	133	9,457	9,628
Total Expenditure on charitable activities		426,960	68,435	495,395	438,195

8 STAFF COSTS

Total staff emoluments for the year were as follows:	2024 £	2023 £
Salary costs	246,396	197,042
National Insurance costs	19,862	14,296
Employer's pension contributions	33,869	22,244
Benefits in kind - season tickets	1,164	1,031
Other staff travel etc.	2,721	3,635
Staff training and conferences	3,393	4,026
	307,405	242,274

There were no pension contributions outstanding at year end. (2023:nil). No employee received remuneration amounting to more than £60,000 in the current year or previous year.

The average number of staff by head count and full-time equivalent during the year was:

	2024 Head Count Ave. No	2024 Fte Ave. No	2023 Head Count Ave. No	2023 Fte Ave. No
Association office staff	6.0	5.0	5.0	4.2
Home Mission staff	1.0	0.4	1.0	0.4
Total staff	7.0	5.4	6.0	4.6

NOTES TO THE ACCOUNTS
YEAR ENDED 31 DECEMBER 2024
(Continued)

9 KEY MANAGEMENT PERSONNEL

The key management personnel for the Association are Association Secretary; Company Secretary, Operations Manager and Finance Officer. The total employee benefits received by these personnel were:

	2024	2023
	£	£
Salary costs	171,450	125,512
National Insurance costs	18,729	13,546
Employer's pension contribution	24,131	15,272
Benefits in kind	-	-
	214,311	154,330

10 GRANTS PAYABLE

Grants payable to churches and institutions:	2024 Unrestricted £	2024 Restricted £	2024 Total £	2023 Total £
Affinity	3,256	-	3,256	4,256
Hayes Lane Baptist Church, Bromley	-	19,736	19,736	18,288
Cost of Living Grants (7 Churches)	10,500	-	10,500	10,500
Newtown Baptist Church, Chesham (Training)	-	-	-	10,000
Abbey Baptist Church, Abingdon (Training)	2,000	-	2,000	2,000
Grace Church Brighton (Training)	12,000	-	12,000	12,000
Grace Church Brighton	-	-	-	821
Grace Baptist Church, North Watford (Churches Aid Fund)	-		-	5,000
Grace Church Southall (Churches Aid Fund)	-		-	5,000
Village Church, Greenwich (Churches Aid Fund)	1,544	-	1,544	-
Small Training Grants (Churches Aid Fund)	400		400	1,050
	29,700	19,736	49,436	68,915

All grants to churches and institutions are either approved by the trustees or are reported to the trustees, if being made in accordance with the terms of a restricted fund. The grants are made for the purposes of supporting member churches with building repairs or specific projects. The Association ran a final round of the Cost of Living grant to help member churches with the current economic climate.

Grants payable to individuals:	2024	2023
	£	£
Training Fund - unrestricted (3 grants)	1,074	6,900
Churches Aid Fund - unrestricted (8 grants) - Small training Grants	2,660	680
Benevolent Fund - restricted (4 grants)	13,188	10,901
Pastors' Retiring & Widows' Fund - restricted (9 beneficiaries)	9,855	9,585
	26,777	28,066

All grants to individuals are approved by the trustees with the exception of grants from the Benevolent Fund which, for reasons of confidentiality, are proposed by the Association Secretary, authorised by the Honorary Treasurer and paid by the Finance Officer.

NOTES TO THE ACCOUNTS
YEAR ENDED 31 DECEMBER 2024
(Continued)

11 AUDIT, INDEPENDENT EXAMINATION AND OTHER FINANCIAL SERVICES FEES

The company's auditors made the following charges:	2024	2023
	£	£
Fee for audit of accounts	5,160	4,920
Fee for other services	38	36
	5,198	4,956

12 TANGIBLE ASSETS

Held in futherance of the charity's objects:

	Freehold property	Leasehold property	Fixtures, fittings and equipment	Total
	£	£	£	£
Market Value / Cost				
At 1st January 2024	2,995,412	315,600	56,532	3,367,544
Disposals	-	-	-	-
Additions	-	-	1,439	1,439
At 31st December 2024	2,995,412	315,600	57,971	3,368,983
Depreciation				
At 1st January 2024	-	-	37,105	37,105
Disposals	-	-	-	-
Additions	-	-	6,752	6,752
At 31st December 2024	-	-	43,857	43,857
Net book value				
At 31st December 2024	2,995,412	315,600	14,114	3,325,126
At 31st December 2023	2,995,412	315,600	19,427	3,330,439

13 INVESTMENTS

	2024 Investment properties	2024 Quoted investments	2024 Total
	£	£	£
Market value at 1st January 2024	354,752	3,922,595	4,277,347
Additions	-	721,551	721,551
Disposals	-	(769,121)	(769,121)
Unrealised gains	8,382	228,194	236,576
Market value at 31st December 2024	363,134	4,103,219	4,466,353
At Cost			
As at 31st December 2024	169,500	3,432,483	3,601,983
As at 31st December 2023	169,500	2,969,765	3,139,265

The trustees obtained professional valuations for all the investment properties in December 2021. The trustees have used this as the basis for the current valuation and have adjusted it by reference to the national house price index information.

NOTES TO THE ACCOUNTS
YEAR ENDED 31 DECEMBER 2024
(Continued)

14 LOANS	*2024* £	*2023* £
Loans (to 1 church)	25,001	2,660

Loans are interest free and repayable within ten years. Included within loans is approximately £1,330 repayable after more than one year.

15 DEBTORS	*2024* £	*2023* £
Other debtors	21,172	21,924
Prepayments	7,497	3,370
	28,669	25,294

16 CREDITORS	*2024* £	*2023* £
Other creditors	21,108	31,981
	21,108	31,981

17 UNRESTRICTED FUNDS	Income 2024 £	Expenditure 2024 £	Transfers 2024 £	Other Gains / (Losses) £	Brought forward 1/1/2024 £	Carried forward 31/12/2024 £
General Fund	291,227	(417,864)	(315)	221,359	6,914,386	7,008,793
Churches Aid Fund	-	(15,105)	(6,949)	-	84,231	62,177
Training Fund	60,000	(15,074)	-	-	2,022	46,948
Walthamstow Manse	-	-	-	-	461,000	461,000
	351,227	(448,043)	(7,264)	221,359	7,461,639	7,578,918

Figures for previous year for comparison

2023	Income 2023 £	Expenditure 2023 £	Transfers 2023 £	Other Gains / (Losses) £	Brought forward 1/1/2023 £	Carried forward 31/12/2023 £
General Fund	1,396,420	(332,838)	(47,630)	177,219	5,721,215	6,914,386
Churches Aid Fund	-	(22,230)	40,000	-	66,461	84,231
Training Fund	69,941	(30,900)	-	-	(37,019)	2,022
Walthamstow Manse	-	-	-	-	461,000	461,000
	1,466,361	(385,968)	(7,630)	177,219	6,211,657	7,461,639

Churches Aid Fund

This designated fund was established in 1979 to set aside funds at the discretion of the trustees for the purpose of making grants and loans to churches within the Association. This Fund was increased by a grant of £40,000 in 2023, with a portion of the Fund set aside to provide cost of living hardship grants to individuals and churches in the current economic climate.

Training Fund

This designated fund was established in 2015 to set aside funds at the discretion of the trustees for the purpose of making grants to churches and trainees to support people in training for ministry. A grant of £60,000 topped up this fund in 2023 & 2024 from Trust Funds managed by Grace Baptist Charities Limited. In 2023, a grant of £9,941 was also made out of the remaining Kew church working Funds in line with the church's request.

Walthamstow Manse

This designated fund was established in 2015 as a result of the closure of Church Hill Baptist Church, Walthamstow. Under the 1944 conveyance and declaration of trust, the Association stands possessed of the church manse. The building continues to be used by Grace Church Walthamstow, a new church plant in Walthamstow.

NOTES TO THE ACCOUNTS
YEAR ENDED 31 DECEMBER 2024
(Continued)

18 RESTRICTED FUNDS	Income 2024	Expenditure 2024	Transfers 2024	Other Gains / (Losses)	Brought forward 1/1/2024	Carried forward 31/12/2024
	£	£	£	£	£	£
Home Mission	45,077	(45,392)	315	-	-	-
Benevolent Fund	10,162	(13,187)	-	-	27,269	24,244
Loan Fund	550	-	6,949	-	17,502	25,001
Pastors' Retiring and Widows' Fund	1,748	(10,066)	-	2,275	52,065	46,022
Sinclair Fund	15,627	(2,647)	-	8,382	383,128	404,490
	73,164	(71,292)	7,264	10,657	479,964	499,757

Figures for previous year for comparison

2023	Income 2023	Expenditure 2023	Transfers 2023	Other Gains / (Losses)	Brought forward 1/1/2023	Carried forward 31/12/2023
	£	£	£	£	£	£
Home Mission	37,642	(45,272)	7,630	-	-	-
Benevolent Fund	1,084	(10,901)	-	-	37,086	27,269
Loan Fund	402	-	-	-	17,100	17,502
Pastors' Retiring and Widows' Fund	1,676	(9,828)	-	2,446	57,771	52,065
Sinclair Fund	13,450	(919)	-	(13,394)	383,991	383,128
	54,254	(66,920)	7,630	(10,948)	495,948	479,964

Home Mission

This fund exists to promote evangelism in the Association churches through education, training, advice, full-time and short-term workers and projects. The majority of the funding is through grant income, with the Association topping up the Fund if there is a shortfall.

Benevolent Fund

This fund has no governing instrument. Grants are made to Christians in needy circumstances.

Loan Fund

Declaration of Trust dated 27th October 1891 governed this fund. Interest free loans were made to churches for purchase, extension and maintenance of chapels, manses and other church premises. At the end of 2019, the Loan Fund was closed to new applicants as bureaucratic complications made it difficult to continue to make interest free loans. It was decided that the free funds would be made available to the churches by way of grants rather than loans in the future. A one-off loan of £25,001 was made to a church to utilise the remaining funds in 2024, topped up by a transfer from the Churches Aid Fund to cover the whole of the Loan.

Pastors' Retiring and Widows' Fund

Declaration of Trust dated 2nd November 1900 governs this fund. Grants are made to retired pastors, and their widows, who have previously contributed to the fund and are without adequate means of support. The fund is closed to new members.

Sinclair Fund

This fund was established by a will dated 11 September 2001. The church at Gadebridge, Hemel Hempstead, has first call on any fund arising from the legacy.

NOTES TO THE ACCOUNTS
YEAR ENDED 31 DECEMBER 2024
(Continued)

19 ANALYSIS OF NET ASSETS

Current year	*2024 Investments* £	*2024 Tangible assets* £	*2024 Net current assets* £	*2024 Total* £
Unrestricted Funds	4,065,910	3,325,126	187,882	7,578,918
Restricted Funds	400,443	-	99,314	499,757
	4,466,353	3,325,126	287,196	8,078,675

Figures for previous year for comparison	*2023 Investments* £	*2023 Tangible assets* £	*2023 Net current assets* £	*2023 Total* £
Unrestricted Funds	3,869,331	3,330,439	261,869	7,461,639
Restricted Funds	408,016	-	71,948	479,964
	4,277,347	3,330,439	333,817	7,941,603

20 COMMITMENTS

The Association has commitments to make payments, in respect of land and buildings and office equipment, in the following years as follows:

	2024 £	*2023* £
Within 1 Year	1,680	1,836
Between 2 and 5 years	6,300	460
	7,980	2,296

21 TRUSTEES' REMUNERATION

No remuneration or benefits were paid to any of the trustees during the year for their services as trustees. Also, there were no trustees' costs paid direct to third parties.

22 TRUSTEES' EXPENSES

	2024 £	*2023* £
Expenses incurred by trustees and reimbursed, amounted to:	1,508	1,210

11 trustees made a total of 35 expenses claims for the cost of travel to meetings and other events. In addition, Paul Smith received a speaking gift of £200 for speaking at an event.

23 RELATED PARTIES

The following trustees are also directors of Grace Baptist Charities Limited and, as such, have an interest in transactions carried out on behalf of trusts and churches administered by the company and the charity: A Creedy (Chairman), P Fuggle,B Jones, D J Mortimer (Treasurer from Oct 2024), Miss M O' Mara, P Smith, J Southcombe (Treasurer) (resigned Oct 2024), C Clarkson (appointed Oct 2024), and P M Woodley (resigned Oct 2024), . Details of the transactions and balances are disclosed in the notes to the accounts.

The following related party transactions occurred in the year:

- Lena King catered for the various events hosted by the Association in the year. She received £1,778. Lena is the wife of Andrew King, Association Secretary.
- The Association has granted the 'Walthamstow Manse' to Grace Church Walthamstow to use as their manse for a peppercorn rent. O Akinrogunde resides in the manse as is normal for the Pastor of the church.
- Grace Church Brighton has received a training grant of £12,000 to support a trainee. David Skull, Abigail Gardner and Luke Winmill are Trustees of Grace Church Brighton.
- Grace Church Walthamstow and Free Grace Baptist Church Twickenham both received a 'Cost of Living' Grant during 2024. O Akinrogunde and Colin Clarkson are Trustees of these churches respectively.

Grace Baptist Association

England & Wales - Charity number 276352

Accounts

ASSOCIATION OF
GRACE BAPTIST CHURCHES
(SOUTH EAST)

CONSOLIDATED
FINANCIAL STATEMENTS

FOR THE
YEAR ENDED 31 DECEMBER 2023

Charity number: 276352

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2023

The trustees have pleasure in submitting their report and the audited financial statements for the Association for the year ended 31st December 2023. They have been prepared in the format prescribed by the Statement of Recommended Practice (FRS102) 'Accounting and Reporting by Charities' issued by the Charity Commission.

Objectives and Activities

Objectives

The objects of the Association are to:

1 uphold and promote the Doctrinal Basis
2 promote the unity and prosperity of its Members
3 assist the Members in their charitable purposes as recognised in English law
4 devise and employ means for the furtherance of the gospel, primarily in the Geographical Area

Policies

The trustees seek to achieve the objects of the Association by encouraging fellowship between churches in prayer, evangelism and practical concern through an Annual Meeting and regular District meetings and activities; supporting member churches in initiating the planting and re-planting of churches in spiritually needy areas; providing help with evangelism through appointed staff, seminars etc; production of a prayer bulletin and other e-mail circulars. The trustees also seek to ensure member churches continue to function effectively by keeping them informed regarding legislation and practical matters relating to property, finance, taxation, insurance etc.

The trustees confirm that they have had due regard to the guidance issued by the Charity Commission on public benefit when planning their activities for the year.

Grant-making Policies

The charity invites applications for funding from churches who are affiliated to the Association of Grace Baptist Churches (South East). The applications are reviewed against specific criteria and objectives, which are set by the Committee. All funded projects are monitored and reviewed on an annual basis.

The charity may also make small grants to individual church members and pastors from churches who are affiliated to the Association of Grace Baptist Churches (South East).

Achievements and Performance

The Association fulfilled its objectives throughout the year.

The Association had 73 member churches at the end of 2023. There is a wide range of activities within these churches including weekly public worship services, Sunday schools, prayer meetings, children's and young people's groups, clubs for the elderly and outreach events reaching many diverse communities.

In March 2023, the Charity organised its second Pastors' & Elders' Overnighter conference held at the High Leigh Conference Centre in Hertfordshire. Over 75 men attended and listened to preaching as well as interacting in group discussions. The Saturday 'Saved2Serve' conference for young people interested in Christian service took place as a day conference at the end of March 2023 with around 50 young people attending.

In June, the Charity organised its first Summer Conference aimed at inviting trainee pastors and pastors from non-Association churches to hear high quality lectures from a Baptist theologian. The speaker was Prof Jim Hamilton from the Southern Seminary, USA who spoke on Biblical Typology. In October 2023 the Charity also ran its first residential conference for 15 trainee pastors before the annual Association Day. The main speaker at both events was Jonathan Leeman from 9marks, USA.

The churches gathered in person for our 152nd Association Day and AGM in September 2022 and we were pleased to welcome several pastors who had been appointed to Churches during the previous year. The day included teaching ministry and church reports as well as a presentation by Mike Judge equipping churches to interact well with social media and the local/national Press.

The Charity also produced its first colour promotional brochure and an informative map showing the location of the churches in the Association (although issued in 2024).

REPORT OF THE TRUSTEES FOR THE
YEAR ENDED 31 DECEMBER 2023
(continued)

The Association continued to be involved in supporting ongoing church planting projects including Haslemere, Brighton, Didcot and Greenwich. The Association also provided training grants to five men from Association churches to enable them to undertake theological training.

The Association also fostered practical help and support between churches at local level by encouraging activities in the five geographical districts within the Association. This is reflected in ongoing district prayer meetings, leadership fraternals, joint events and general inter-church fellowship, which are increasingly moving back to being in-person events.

Financial help was given to churches and individuals in the form of grants (benevolent) including a special Covid-19 grant to help those struggling in the current crisis.

Financial Review and Future plans

Due to the level of exceptional income this year, the accounts have been prepared on a consolidated basis; This basis combines the results of the charity with that of its subsidiary Grace Baptist Charities Limited.

The total consolidated funds of the charity increased to £8,612,314 during 2023, a increase of 17.7%. This included unrealised gains of £160,054 on the revaluation of investments, due to continued volatility in the stock markets.

The movement on funds before taking into account all gains on investments was a surplus of £1,087,926. The surplus on the General Fund was £1,096,354. This was as a result of a exceptional proceeds from the sale of two redundant manses. If the exceptional proceeds are excluded then the Association incurred a deficit on its general fund. This is in line with the policy of utilising historic reserves agreed by the Commitee.

Income
Total income in 2023 increased by 320.0%. This was split between a increase of £1,295,689 in unrestricted funds' income and a decrease of £58,366 in restricted funds' income. This was due to the sale of two redundant manses. One of manses was previously held as Charitable property but for the other the Association was the ultimate beneficiary upon closure of the church .

Expenditure
Total expenditure decreased by £25,242.This was split between a increase of £66,727 in unrestricted funds' expenditure and a decrease of £91,969 in restricted funds' expenditure. The general fund increase arose due to an increase in staff costs as the Company Secretary was employed by the full year, some new windows installed in a residential building owned by the Association and the costs of the summer and residential conference. The restricted funds' reduction arose from the Brighton Fund being transferred to the newly constituted church in 2022 and the Hawthorne Fund being extinguished in 2022.

Financial Review
A comprehensive financial review takes place each November and policies and budgets for the year ahead are established and refined. Through the year, the budget is compared with actual performance at the Committee meetings following the end of each quarter. This informs the budget for the new calendar year.

Investment powers

The trustees have power to invest, subject to the Trustee Act 2000, and seek to avoid investments which are inconsistent with evangelical ethical standards.

Investment policy

The Investment Policy was reviewed in 2018 with the help of an independent financial adviser and is regularly discussed with the Investment managers to ensure it remains up to date.

REPORT OF THE TRUSTEES FOR THE
YEAR ENDED 31 DECEMBER 2023
(continued)

Reserves policy

It is the policy of the charity to maintain unrestricted funds, which are free reserves of the charity, at a level that equates to approximately six months' unrestricted expenditure. This provides sufficient funds to cover support costs, management and administration and to respond to emergency applications for grants that may arise from time to time.

Fundraising

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

Structure, Governance and Management

The Association was constituted on 10th March 1871. The Association is registered as a charity under reference number 276352.

The Committee

The following extracts are taken from the Constitution and Rules of the Association:

7.1 The Committee are charity trustees of the Association and its property and funds.

7.2 The Committee when complete consists of:

7.2.1 twenty elected members elected in accordance with this clause or such other policies and procedures as may be adopted from time to time.

7.2.2 the District Representatives

7.2.3 the Treasurer

7.3 Up to 3 persons, who shall not be trustees or have any voting rights, may be co-opted by and to the committee for the period up to the next AGM.

7.4 Election to Committee membership is open to any individual who is a member of a Member church and approved for election by that Member church. Notwithstanding clause 7.1, an employee of the Association may be a member of the Committee with the prior written consent of the Charity Commission.

7.5 The election of Committee members is by secret ballot.

7.6 No person shall be an elected member unless the number of votes he or she receives equals or exceeds the number which is one third of the Messengers (from Member churches) present at the relevant AGM.

7.7 Subject to clause 7.9 the election or appointment of each Committee member (except co-optees) shall be for a term of three years. Committee members shall (if otherwise qualified) be eligible for re-election or re-appointment as from the end of such term.

7.8 Every Committee member must sign a declaration of willingness to act as a charity trustee of the Association before he or she is eligible to vote at any meeting of the Committee.

7.13 The membership of the Committee shall so far as possible (and consistent with the above provisions) be balanced equally between individuals in full time pastoral or other Christian ministry and individuals from other backgrounds, especially those with experience of property, financial, legal and administrative matters, that is to say individuals who are or have been engaged in a profession, business or trade.

Connected Charities

The Association is connected to **Grace Baptist Charities Limited**. This charity holds funds on deposit for the Association.

Risk management

The trustees have assessed the principal risks to which the charity is exposed, in particular those related to the operations and finance of the charity and are satisfied that systems are in place to mitigate its exposure to the major risks. A risk register is maintained and reviewed.

Key risks and the steps taken to mitigate these include liquidity (properties and investments can be sold to provide greater liquidity); loss of data and systems (mitigated by contracting with external supplier of I.T. support and off-site backups); and loss of key personnel (processes documented).

REPORT OF THE TRUSTEES FOR THE
YEAR ENDED 31 DECEMBER 2023
(continued)

Induction and training of trustees

An induction letter is sent to new trustees which refers to their key role and liability and lists responsibilities which trustees are charged with fulfilling. Enclosed with the letter is the publication by the Charity Commission entitled "The Essential Trustee: What you need to know". The letter has been updated to indicate that trustees will be informed about training opportunities from time to time. The charity's fund managers, Investec, run a series of training seminars each year.

Arrangements for setting pay and remuneration of key management personnel

The Association's pay policy confirms the arrangements for setting levels of remuneration:

- All employees' salaries are reviewed annually as at 1st January of each year.
- The Executive Committee sets the rate of annual increase to be applied for all employees as part of the Financial Review in November. This is reported to the Main Committee.
- Any other changes to salaries or terms and conditions are agreed by the Executive Committee and reported to the Main Committee.

Responsibility of duties and delegation.

The following extracts are taken from the Constitution and Rules of the Association:

Powers of the Committee:

10.1 to appoint a Treasurer subject to approval by the Member churches in general meeting and other honorary officers.
10.2 to delegate any of their functions to sub-committees consisting of three or more persons appointed by them.
10.3 to elect an Executive with the composition, function and delegated powers set out in clauses 11 and 12.2.
10.4 to make Standing Orders consistent with this Constitution to govern proceedings at General Meetings.
10.5 to make Rules consistent with this Constitution about the Committee and sub-committees.
10.6 to make Regulations consistent with this Constitution about the running of the Association.

Powers of the Executive:

11.1 The Executive when complete shall consist of the Chairman, the Treasurer, and six other Committee members elected by the Committee by secret ballot.
11.2 Membership of the Executive shall
11.2.1 take effect from the date of the first committee meeting of the calendar year.
11.2.2 be for a period of three years at the end of which members of the Executive shall be eligible for re-election.
11.3 Each member of the Executive shall unless disqualified by law serve as a director of the Company (Grace Baptist Charities Limited).
11.4 The Executive shall formulate, review, and prepare recommendations as to, matters for discussion or decision at meetings of the Committee or at general meetings.
11.5 The Executive shall be available for consultation on matters within the Association Secretary's or the Finance Officer's remit and shall have the power to take decisions in matters touching the Association or Member churches on behalf of the Association Secretary or the Committee in cases of emergency where in the reasonable judgment of the Executive the matter cannot await a regular or special Committee meeting.

Responsibility of duties and delegation continued

Powers delegated to staff:

12.1 Subject to clause 12.3 the Committee shall appoint such employees as are necessary for the satisfactory running of the Association and of the Company including:
12.1.1 the following Officers:
12.1.1.1 an Association Secretary who shall be responsible for the day-to-day running of the Association.
12.1.1.2 a Finance Officer who shall be responsible for the financial affairs of the Association and of the Company.
12.1.2 an employee who shall serve as Company Secretary of the Company
and each of whom shall be accountable to the Committee for the discharge of these responsibilities.
12.2 The Association Secretary, Finance Officer and Company Secretary shall be required, unless indisposed, to attend Committee meetings and Executive meetings.
12.3 The power to fix employees' terms of employment (including salary and job description) shall be delegated and reserved to the Executive.

REPORT OF THE TRUSTEES FOR THE
YEAR ENDED 31 DECEMBER 2023
(continued)

Reference and Administrative Details

Trustees during the year were:

P Fuggle. (Chairman)	Miss M O' Mara;	A J Wigham
A Creedy	J Southcombe (Treasurer)	P M Woodley
B O J Jones	D J Mortimer.	
AA Ottley	C Mukanga	
R B King	J Sayers	
S J Lloyd	P Smith	

Key management personnel during the year were:

Association Secretary	Andrew King
Company Secretary of Grace Baptist Charities Ltd	L Winmill
Finance Officer	A M Gardner

The registered office is at 62 Bride Street. London, N7 8AZ

The principal advisers of the charity are as follows:

Registered Auditors:	Jacob Cavenagh & Skeet, 5 Robin Hood Lane. Sutton, Surrey SM1 2SW
Bankers	CAF Bank Limited. 25 Kingshill Avenue, Kingshill. West Malling, Kent ME19 4JQ
Investment advisers	Investec Wealth and Investment Ltd, 2 Gresham Street. London EC2 7QP Rathbones Investment Management. 8 Finsbury Circus. London. EC2M 7AZ
Principal Solicitors	Carter, Lemon Camerons LLP. 10 Aldersgate Street, London. EC1A 4HJ Edward Connor Solicitors. 10 The Point. Market Harborough, LE16 7QU

Trustees Responsibilities

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

Law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the charity's financial activities in the year and of its financial position at the end of the year. In preparing financial statements giving a true and fair view, the trustees are required to:

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

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which enable them to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

FOR AND ON BEHALF OF THE TRUSTEES

J. Southcombe
Trustee

62 Bride Street, London. N7 8AZ

1st July 2024

REPORT OF THE INDEPENDENT AUDITOR TO THE TRUSTEES OF ASSOCIATION OF GRACE BAPTIST CHURCHES (SOUTH EAST)

Opinion

We have audited the financial statements of the Association of Grace Baptist Churches (South East) (the "Charity") for the year ended 31 December 2023 and its subsidiary (the "Group") which comprise the consolidated Statement of Financial Activities, consolidated and parent Balance Sheets, the consolidated cashflow statements 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 UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and Charity's affairs as at 31 December 2023 and of the Group's 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 Group and parent 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 these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the 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 Group's and Charity's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

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

Other information

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

REPORT OF THE INDEPENDENT AUDITOR
TO THE TRUSTEES OF
ASSOCIATION OF GRACE BAPTIST CHURCHES (SOUTH EAST)
(continued)

Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement, 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 they 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 Group's and 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 Group or 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 151 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

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

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

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

In response to the risks identified we designed procedures which included, but were not limited to challenging significant accounting estimates, evaluating the Group's and Charity's internal controls and verification of investment and property transactions.

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

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

Use of our report

This report is made solely to the Group's and 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 Group's and 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 Group and Charity and the Group's and Charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Jacob, Cavenagh & Skeet

15 JULY 2024

Jacob Cavenagh & Skeet,
Statutory Auditor
Chartered Accountants

5 Robin Hood Lane,
Sutton,
Surrey
SM1 2SW

Jacob Cavenagh & Skeet is eligible for appointment as auditor of the Group and Charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)
YEAR ENDED 31 DECEMBER 2023

	Note	Unrestricted Funds £	Restricted Funds £	*2023* Total Funds £	*2022** Total Funds £
Income from:					
Donations and legacies	2	122,969	37,892	160,861	162,797
Charitable activities	3	116,819	-	116,819	103,622
Investments	4	183,541	20,640	204,181	120,272
Other Income: Surplus on sale of fixed asset	5	1,142,153	-	1,142,153	-
Total Income		**1,565,482**	**58,532**	**1,624,014**	**386,691**
Expenditure on:					
Raising funds	6	21,160	1,161	22,321	20,911
Charitable activities	7	447,968	65,799	513,767	540,419
Total expenditure		**469,128**	**66,960**	**536,088**	**561,330**
Operating surplus / (deficit)		**1,096,354**	**(8,428)**	**1,087,926**	**(174,639)**
Net gains / (losses) on investments					
Realised gains on investments		48,277	474	48,751	9,962
Unrealised gains / (losses) on investments	13	171,476	(11,422)	160,054	(425,091)
Total net gains / (losses) on investments		**219,753**	**(10,948)**	**208,805**	**(415,129)**
Net income / (expenditure)		**1,316,107**	**(19,376)**	**1,296,731**	**(589,768)**
Transfers between funds		**(7,630)**	**7,630**	-	-
Net movement in funds		**1,308,477**	**(11,746)**	**1,296,731**	**(589,768)**
Reconciliation of funds:					
Funds brought forward		6,665,992	649,591	7,315,583	7,905,351
Funds carried forward	19 & 20	**7,974,469**	**637,845**	**8,612,314**	**7,315,583**

No activities were acquired or discontinued during the year.

* For analysis of unrestricted and restricted financial activities for 2022, see next page.

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED 31 DECEMBER 2023

**Analysis of financial activities for previous year :*	2022		
	Unrestricted Funds £	*Restricted Funds* £	*2022 Total funds* £
Income and endowments from:			
Donations and legacies	63,410	99,387	162,797
Charitable activities	103,622	-	103,622
Investments	102,761	17,511	120,272
Other Income	-	-	-
Total income and endowments	**269,793**	**116,898**	**386,691**
Expenditure on:			
Raising funds	19,531	1,380	20,911
Charitable activities	382,870	157,549	540,419
Total expenditure	**402,401**	**158,929**	**561,330**
Operating (deficit)	**(132,608)**	**(42,031)**	**(174,639)**
Net gains / (losses) on investments:			
Realised gains on investments	8,824	1,138	9,962
Unrealised (losses) / gains on investments	(426,265)	1,174	(425,091)
Total net (losses) / gains on investments	**(417,441)**	**2,312**	**(415,129)**
Net (expenditure)	**(550,049)**	**(39,719)**	**(589,768)**
Transfers between funds	**(4,569)**	**4,569**	
Net Movement in Funds	**(554,618)**	**(35,150)**	**(589,768)**
Reconciliation of funds:			
Funds brought forward	7,220,610	684,741	7,905,351
Funds carried forward	**6,665,992**	**649,591**	**7,315,583**

CONSOLIDATED BALANCE SHEET
AT 31ST DECEMBER 2023

	Note	£	2023 £	£	2022 £
Fixed assets					
Tangible assets	12		3,330,439		3,909,164
Investments	13		5,736,342		4,055,231
			9,066,781		7,964,395
Current assets					
Loans	14	705,677		859,691	
Debtors	15	57,412		53,703	
Current Asset Investments	16	61,020		159,669	
Cash in hand		1,344,073		863,929	
Total current assets		2,168,182		1,936,992	
Liabilities					
Creditors: Amounts falling due within one year:					
Other creditors	17	2,198,984		2,127,128	
Net current assets			(30,802)		(190,136)
Total assets less current liabilities			9,035,979		7,774,259
Creditors: amounts falling due after one year	18		(423,665)		(458,676)
Total net assets	21		8,612,314		7,315,583
The funds of the charity:					
Unrestricted funds	19		7,935,442		6,622,584
Revaluation Reserve (unrestricted)			39,027		43,408
Total unrestricted funds			7,974,469		6,665,992
Restricted funds	20		452,593		450,945
Revaluation reserve (restricted)			185,252		198,646
Total restricted funds			637,845		649,591
Total funds	21		8,612,314		7,315,583

These financial statements were approved by the trustees on 1st July 2024 and signed on their behalf by:

J. Southcombe
Trustee

CHARITY BALANCE SHEET
AT 31ST DECEMBER 2023

	Note	£	2023 £	£	2022 £
Fixed assets					
Tangible assets	12		3,330,439		3,909,164
Investments	13		4,277,347		2,632,912
			7,607,786		6,542,076
Current assets					
Loans	14	2,660		2,660	
Debtors	15	25,294		18,589	
Cash deposited with Grace Baptist Charities Ltd		337,416		182,901	
Cash in hand		428		325	
Total current assets		365,798		204,475	
Liabilities					
Creditors: Amounts falling due within one year:					
Other creditors	17	31,981		38,946	
Net current assets			333,817		165,529
Total net assets	21		7,941,603		6,707,605
The funds of the charity:					
Unrestricted funds	19		7,461,639		6,211,657
Revaluation Reserve (unrestricted)			-		-
Total unrestricted funds			7,461,639		6,211,657
Restricted funds	20		294,712		297,302
Revaluation reserve (restricted)			185,252		198,646
Total restricted funds			479,964		495,948
Total funds	21		7,941,603		6,707,605

The Charity's net income for the year was £1,233,998 (2022: net expenditure £545,499).

These financial statements were approved by the trustees on 1st July 2024 and signed on their behalf by:

J. Southcombe
Trustee

CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED 31 DECEMBER 2023

Statement of cash flows:	**Table**	***2023 Total Funds*** **£**	***2022 Total Funds*** **£**
Cash flows from operating activities:			
Net cash provided by (used in) operating activities	A	(48,284)	(428,294)
Cash flows from investing activities:			
Dividends, interest and rent from investments		191,147	89,160
Proceeds from sale of property		1,730,446	-
Purchase of property and equipment		(17,199)	(4,373)
Proceeds from sale of other investments		(2,309)	(1)
Proceeds from sale of investments		2,118,981	1,195,095
Purchase of investments		(3,492,638)	(2,481,668)
Net cash provided by/(used in) investing activities		528,428	(1,201,787)
Change in cash and cash equivalents in the reporting period		**480,144**	**(1,630,081)**
Cash and cash equivalents at the beginning of the reporting period		863,929	2,494,010
Cash and cash equivalents at the end of the reporting period	B	**1,344,073**	**863,929**

Table A - Reconciliation of net income / (expenditure) to net cash flow from operating activities:	***2023*** **£**	***2022*** **£**
Net income / (expenditure) for the reporting period (as per the statement of financial activities)	1,296,731	(589,768)
Depreciation charges	7,631	8,756
Equipment reclassified as expenditure (ie. written off)	-	255
(Gains) / losses on investments	(208,805)	415,129
Dividends, interest and rent from investments	(204,181)	(120,272)
Profit on sale of fixed assets	(1,142,153)	-
Decrease / (increase) in debtors	163,355	(10,316)
Increase / (decrease) in creditors	39,138	(132,078)
Net cash provided by (used in) operating activities	(48,284)	(428,294)

Table B - Analysis of cash and cash equivalents:		
Cash in hand	1,296,350	817,633
Notice Deposits (Less than 3 months)	47,723	46,296
Total cash and cash equivalents	**1,344,073**	**863,929**

NOTES TO THE ACCOUNTS
YEAR ENDED 31 DECEMBER 2023

1 ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

(a) **Accounting convention**

The financial statements have been prepared under the Charities Act 2011 and in accordance with the Charities Statement of Recommended Practice (Charities SORP (FRS 102)) and Financial Reporting Standard 102 (FRS 102). The financial statements are drawn up on the historical cost basis of accounting, as modified by the revaluation of investment properties and other investments. The financial statements are prepared in pounds sterling rounded to the nearest pound and are the consolidated position of the Association of Grace Baptist Churches (South East) and its subsidary Grace Baptist Charities Limited.

The accounts have been cosolidated on a line by line basis.

The Association of Grace Baptist Churches (South East) meets the definition of a public benefit entity under FRS 102. It is an unincorporated charitable trust with registered address of 62 Bride Street, London, N7 8AZ.

(b) **Going concern**

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

(c) **Income**

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

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

(d) **Expenditure**

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

(e) **Fixed assets**

Fixed assets held for charity use are stated at cost. Where freehold and leasehold properties are maintained to such a standard that their estimated residual value is in excess of their net book value at any time and depreciation is immaterial, no depreciation is charged.

(f) **Depreciation**

Where properties are maintained to such a standard that their estimated residual value is in excess of their net book value at any time and depreciation is immaterial, no depreciation is charged.

Depreciation is provided on all other tangible fixed assets at rates calculated to write off the cost or valuation of each asset over its expected useful life as follows:

Fixtures and fittings	-	Between 10% and 20% on cost
Computer equipment	-	Between 10% and 33% on cost

(g) **Investments**

Investments and investment properties are stated at market value. The trustees review the value of investment properties annually and obtain external valuations every five years.

Realised and unrealised gains and losses arising on the disposal or revaluation of investments and investment properties are included in the Statement of Financial Activities.

(h) **Debtors**

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

(i) **Cash deposited with Grace Baptist Charities Ltd**

Cash deposited with Grace Baptist Charities Ltd is a short term highly liquid investment with a short maturity of three months or less from the date of opening of the deposit.

NOTES TO THE ACCOUNTS
YEAR ENDED 31 DECEMBER 2023
(Continued)

(j) **Cash at bank**

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

(k) **Creditors**

Creditors and provisions are recognised where the charity has a present obligation arising from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are recognised at their settlement amount.

(l) **Pensions**

The charity operates a defined contribution pension scheme. Contributions payable are charged in the Statement of Financial Activities.

(m) **Fund accounting**

The funds held by the charity are either:

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

2 INCOME FROM DONATIONS & LEGACIES

	2023 Unrestricted	2023 Restricted	2023 Total	2022 Total
Consolidated	£	£	£	£
Donations from churches	51,353	250	51,603	57,585
Other donations	1,675	310	1,985	10,389
Grant from Grace Baptist Charities Ltd	-	-	-	-
Other grants received	69,941	37,332	107,273	94,823
	122,969	37,892	160,861	162,797

3 INCOME FROM CHARITABLE ACTIVITIES

	2023 Unrestricted	2023 Restricted	2023 Total	2022 Total
Consolidated	£	£	£	£
Income received from tangible assets	20,225	-	20,225	19,056
Income from other charitable activities	28,668	-	28,668	18,069
Management charges	49,301	-	49,301	55,046
Interest from churches and trusts	18,625	-	18,625	11,451
	116,819	-	116,819	103,622

4 INCOME FROM INVESTMENTS

	2023 Unrestricted	2023 Restricted	2023 Total	2022 Total
Consolidated	£	£	£	£
Investments listed on recognised stock exchange	120,774	1,594	122,368	92,118
Investments properties - regular income	6,817	12,810	19,627	18,105
Deposit interest	55,950	6,236	62,186	10,049
	183,541	20,640	204,181	120,272

5 OTHER INCOME

	2023 Unrestricted	2023 Restricted	2023 Total	2022 Total
Proceeds from the sale of a redundant Manse (Kew)	987,859	-	987,859	-
Surplus from the sale of Fixed Assets	154,294	-	154,294	-
	1,142,153	-	1,142,153	-

6 EXPENDITURE ON RAISING FUNDS

	2023 Unrestricted	2023 Restricted	2023 Total	2022 Total
Consolidated	£	£	£	£
Investment property expenditure	1,824	598	2,422	5,569
Investment management	19,336	563	19,899	15,342
	21,160	1,161	22,321	20,911

NOTES TO THE ACCOUNTS
YEAR ENDED 31 DECEMBER 2023
(Continued)

7 EXPENDITURE ON CHARITABLE EXPENSES

Consolidated	Note	2023 Unrestricted £	2023 Restricted £	2023 Total £	2022 Total £
Staff costs	8	219,297	22,977	242,274	237,018
Development consultancy		1,065	-	1,065	4,656
Property expenditure		36,718	1,686	38,404	53,153
Grants payable	10				
Churches and institutions		50,627	18,288	68,915	117,160
Individuals		7,580	20,486	28,066	39,086
Home Mission costs exc. Personnel		-	2,069	2,069	2,131
Office and stationery costs		17,692	253	17,945	18,506
Photocopier costs including rentals		2,411	-	2,411	1,990
Depreciation		7,631	-	7,631	9,011
Website and publications		2,547	-	2,547	210
Provision of conferences and training		17,817	-	17,817	7,830
Management charge		-	40	40	60
Trustees' indemnity insurance		397	-	397	877
Interest paid to churches and trusts		69,879	-	69,879	33,053
Bank charges and interest		358	-	358	312
		434,019	65,799	499,818	525,053
Governance costs:					
Legal and professional fees		85	-	85	3,559
Auditors' fees	11	9,192	-	9,192	8,830
Costs of meetings		4,672	-	4,672	2,977
		13,949	-	13,949	15,366
Total Expenditure on charitable activities		447,968	65,799	513,767	540,419

8 STAFF COSTS

Consolidated	2023 £	2022 £
Total staff emoluments for the year were as follows:		
Salary costs	197,042	192,779
National Insurance costs	14,296	14,354
Employer's pension contributions	22,244	21,491
Benefits in kind - season tickets	1,031	1,131
Other staff travel etc	3,635	4,271
Staff training and conferences	4,026	2,992
	242,274	237,018

There were no pension contributions outstanding at year end (2022:nil). No employee received remuneration amounting to more than £60,000 in the current year or previous year

The average number of staff by head count and full-time equivalent during the year was:

	2023 Head Count Ave. No	2023 Fte Ave. No	2022 Head Count Ave. No	2022 Fte Ave. No
Association office staff	5.0	4.2	6.0	4.1
Home Mission staff	1.0	0.4	1.0	0.4
Total staff	6.0	4.6	7.0	4.5

NOTES TO THE ACCOUNTS
YEAR ENDED 31 DECEMBER 2023
(Continued)

9 KEY MANAGEMENT PERSONNEL

The key management personnel for the Association are Association Secretary: Company Secretary and Finance Officer. The total employee benefits received by these personnel were:

	2023	2022
	£	£
Salary costs	125,512	137,332
National Insurance costs	13,546	15,014
Employer's pension contribution	15,272	10,726
Benefits in kind	-	150
	154,330	163,222

10 GRANTS PAYABLE

Consolidated	2023 Unrestricted	2023 Restricted	2023 Total	2022 Total
Grants payable to churches and institutions:	£	£	£	£
Affinity	4,256	-	4,256	5,254
Hayes Lane Baptist Church, Bromley	-	18,288	18,288	15,240
St. John's Wood Road Baptist Church	-	-	-	33,557
Cost of Living Grants (7 Churches)	10,500	-	10,500	7,500
Edlesborough Baptist Church (Churches Aid Fund)	-	-	-	5,000
Grace Baptist Church Grays (Churches Aid Fund)	-	-	-	5,000
Newtown Baptist Church, Chesham (Training)	10,000	-	10,000	12,000
Abbey Baptist Church, Abingdon (Training)	2,000	-	2,000	-
Grace Church, Walthamstow (Churches Aid Fund)	-	-	-	3,064
Grace Church Brighton (Training)	12,000	-	12,000	14,000
Grace Church Brighton	821	-	821	12,905
Rehoboth Baptist Chuch, Horsham (Training)	-	-	-	(2,162)
Grace Baptist Church, North Watford (Churches Aid Fund)	5,000	-	5,000	-
Grace Church Southall (Churches Aid Fund)	5,000	-	5,000	-
Kings Road Baptist Church, Chingford (Churches Aid Fund)	-	-	-	5,000
Small Training Grants (Churches Aid Fund)	1,050	-	1,050	800
	50,627	18,288	68,915	117,158

All grants to churches and institutions are either approved by the trustees or are reported to the trustees, if being made in accordance with the terms of a restricted fund. The grants are made for the purposes of supporting member churches with building repairs or specific projects.

Grants payable to individuals:	2023	2022
	£	£
Training Fund - unrestricted (3 grants)	6,900	16,000
Churches Aid Fund - unrestricted (4 grants)	680	1,600
Cost of Living Grants - unrestricted (10 grants)	-	5,000
Benevolent Fund - restricted (6 grants)	10,901	7,081
Pastors' Retiring & Widows' Fund - restricted (9 beneficiaries)	9,585	9,405
	28,066	39,086

All grants to individuals are approved by the trustees with the exception of grants from the Benevolent Fund which, for reasons of confidentiality, are proposed by the Association Secretary, authorised by the Honorary Treasurer and paid by the Finance Officer.

NOTES TO THE ACCOUNTS
YEAR ENDED 31 DECEMBER 2023
(Continued)

11 AUDIT, INDEPENDENT EXAMINATION AND OTHER FINANCIAL SERVICES FEES

Consolidated

The company's auditors made the following charges:	2023	2022
	£	£
Fee for audit of accounts	9,120	8,460
Fee for other services	72	112
	9,192	8,572

Charity

The company's auditors made the following charges:	2023	2022
	£	£
Fee for audit of accounts	4,920	4,560
Fee for other services	36	32
	4,956	4,592

12 TANGIBLE ASSETS

Consolidated and Charity

Held in futherance of the charity's objects:	Freehold property	Leasehold property	Fixtures, fittings and equipment	Total
Market Value / Cost	£	£	£	£
At 1st January 2023	3,583,705	315,600	40,561	3,939,866
Disposals	(588,293)	-	(1,228)	(589,521)
Additions	-	-	17,199	17,199
At 31st December 2023	2,995,412	315,600	56,532	3,367,544
Depreciation				
At 1st January 2023	-	-	30,702	30,702
Disposals	-	-	(1,228)	(1,228)
Additions	-	-	7,631	7,631
At 31st December 2023	-	-	37,105	37,105
Net book value				
At 31st December 2023	2,995,412	315,600	19,427	3,330,439
At 31st December 2022	3,583,705	315,600	9,859	3,909,164

13 INVESTMENTS

Consolidated

	2023 Investment properties	2023 Quoted investments	2023 Total
	£	£	£
Market value at 1st January 2023	547,917	3,507,314	4,055,231
Additions	-	3,591,287	3,591,287
Disposals	-	(2,070,230)	(2,070,230)
Unrealised (losses) / gains	(17,775)	177,829	160,054
Market value at 31st December 2023	530,142	5,206,200	5,736,342
At Cost			
As at 31st December 2023	305,863	4,264,345	4,570,208
As at 31st December 2022	305,863	3,278,865	3,584,728

The trustees obtained professional valuations for all the investment properties in December 2021. The trustees have used this as the basis for the current valuation and have adjusted it by reference to the national house price index information.

NOTES TO THE ACCOUNTS
YEAR ENDED 31 DECEMBER 2023
(Continued)

13 INVESTMENTS (continued)

	2023 Investment properties	2023 Quoted investments	2023 Total
Charity	£	£	£
Market value at 1st January 2023	368,146	2,264,766	2,632,912
Additions	-	3,290,178	3,290,178
Disposals	-	(1,759,192)	(1,759,192)
Unrealised (losses) / gains	(13,394)	126,843	113,449
Market value at 31st December 2023	354,752	3,922,595	4,277,347
At Cost			
As at 31st December	169,500	2,969,765	3,139,265
As at 31st December 2022	169,500	1,984,285	2,153,785

The trustees obtained professional valuations for all the investment properties in December 2021. The trustees have used this as the basis for the current valuation and have adjusted it by reference to the national house price index information.

14 LOANS

	2023	*2022*
Consolidated	£	£
Interest Free Loan (to 1 church)	2,660	2,660
Interest Bearing Loans to churches (3)	211,017	288,031
Interest Bearing Loans to Trusts (4)	492,000	569,000
	705,677	859,691
Charity		
Interest Free Loan (to 1 church)	2,660	2,660

Loans are interest free and repayable within ten years. Included within loans is approximately £1,330 repayable after more than one year.

15 DEBTORS

	2023	*2022*
Consolidated	£	£
Amounts due from churches	11,508	20,306
Other debtors	42,534	33,397
Prepayments	3,370	-
	57,412	53,703
Charity		
Other debtors	21,924	18,589
Prepayments	3,370	-
	25,294	18,589

16 CURRENT ASSET INVESTMENTS

	2023	*2022*
Consolidated	£	£
Counties and Cambridge Bank 95 days' notice	61,020	159,669
	61,020	159,669

17 CREDITORS

	2023	*2022*
Consolidated	£	£
Amounts due to churches	1,901,303	1,763,048
Amounts due to trusts	259,977	319,502
Other creditors	37,704	44,578
	2,198,984	2,127,128
Charity		
Other creditors	31,981	38,946

18 CREDITORS: amounts falling due after more than one year

	2023	*2022*
Consolidated	£	£
Amounts due to churches	423,665	458,676

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

NOTES TO THE ACCOUNTS
YEAR ENDED 31 DECEMBER 2023
(Continued)

19 UNRESTRICTED FUNDS	Income 2023	Expenditure 2023	Transfers 2023	Other Gains / (Losses)	Brought forward 1/1/2023	Carried forward 31/12/2023
Consolidated	£	£	£	£	£	£
General Fund	1,495,541	(415,998)	(47,630)	219,753	6,175,550	7,427,216
Churches Aid Fund	-	(22,230)	40,000	-	66,461	84,231
Training Fund	69,941	(30,900)	-	-	(37,019)	2,022
Walthamstow Manse	-	-	-	-	461,000	461,000
	1,565,482	(469,128)	(7,630)	219,753	6,665,992	7,974,469

Figures for previous year for comparison

	Income 2022	Expenditure 2022	Transfers 2022	Other Gains / (Losses)	Brought forward 1/1/2022	Carried forward 31/12/2022
Consolidated	£	£	£	£	£	£
General Fund	269,793	(329,708)	(4,569)	(417,441)	6,657,475	6,175,550
Churches Aid Fund	-	(32,855)		-	99,316	66,461
Training Fund	-	(39,838)	-	-	2,819	(37,019)
Walthamstow Manse	-	-	-	-	461,000	461,000
	269,793	(402,401)	(4,569)	(417,441)	7,220,610	6,665,992

UNRESTRICTED FUNDS	Income 2023	Expenditure 2023	Transfers 2023	Other Gains / (Losses)	Brought forward 1/1/2023	Carried forward 31/12/2023
Charity	£	£	£	£	£	£
General Fund	1,396,420	(332,838)	(47,630)	177,219	5,721,215	6,914,386
Churches Aid Fund	-	(22,230)	40,000	-	66,461	84,231
Training Fund	69,941	(30,900)	-	-	(37,019)	2,022
Walthamstow Manse	-	-	-	-	461,000	461,000
	1,466,361	(385,968)	(7,630)	177,219	6,211,657	7,461,639

Figures for previous year for comparison

	Income 2022	Expenditure 2022	Transfers 2022	Other Gains / (Losses)	Brought forward 1/1/2022	Carried forward 31/12/2022
Charity	£	£	£	£	£	£
General Fund	219,273	(280,919)	(4,569)	(369,555)	6,156,985	5,721,215
Churches Aid Fund	-	(32,855)	-	-	99,316	66,461
Training Fund	-	(39,838)	-	-	2,819	(37,019)
Walthamstow Manse	-	-	-	-	461,000	461,000
	219,273	(353,612)	(4,569)	(369,555)	6,720,120	6,211,657

Churches Aid Fund

This designated fund was established in 1979 to set aside funds at the discretion of the trustees for the purpose of making grants and loans to churches within the Association. This Fund was increased by a grant of £40,000 in 2023. A portion of the Fund has been set aside to provide cost of living hardship grants to individuals and churches in the current economic climate.

Training Fund

This designated fund was established in 2015 to set aside funds at the discretion of the trustees for the purpose of making grants to churches and trainees to support people in training for ministry. A grant of £60,000 topped up this fund in 2023 from Trust Funds managed by Grace Baptist Charities Limited. In addition, a grant of £9,941 was made out of the remaining Kew church working Funds in line with the church's request.

Walthamstow Manse

This designated fund was established in 2015 as a result of the closure of Church Hill Baptist Church, Walthamstow. Under the 1944 conveyance and declaration of trust, the Association stands possessed of the church manse. The building was registered at the Land Registry in 2022 and continues to be used by Grace Church Walthamstow, a new church plant in Walthamstow.

NOTES TO THE ACCOUNTS
YEAR ENDED 31 DECEMBER 2023
(Continued)

20 RESTRICTED FUNDS	Income 2023	Expenditure 2023	Transfers 2023	Other Gains / (Losses)	Brought forward 1/1/2023	Carried forward 31/12/2023
Consolidated	£	£	£	£	£	£
Home Mission	37,642	(45,272)	7,630	-	-	-
Hayes Lane Fund	749	(20)	-	-	26,896	27,625
Downe Fund	3,529	(20)	-	-	126,747	130,256
Benevolent Fund	1,084	(10,901)	-	-	37,086	27,269
Loan Fund	402	-	-	-	17,100	17,502
Pastors' Retiring and Widows' Fund	1,676	(9,828)	-	2,446	57,771	52,065
Sinclair Fund	13,450	(919)	-	(13,394)	383,991	383,128
	58,532	(66,960)	7,630	(10,948)	649,591	637,845

Figures for previous year for comparison

	Income 2022	Expenditure 2022	Transfers 2022	Other Gains / (Losses)	Brought forward 1/1/2022	Carried forward 31/12/2022
Consolidated	£	£	£	£	£	£
Hawthorne Family	132	(33,575)	-	-	33,443	-
Home Mission	36,555	(41,124)	4,569	-	-	-
Hayes Lane Fund	337	(20)	-	-	26,579	26,896
Downe Fund	1,589	(20)	-	-	125,178	126,747
Brighton Fund	62,621	(66,323)	-	-	3,702	-
Benevolent Fund	750	(7,081)	-	-	43,417	37,086
Loan Fund	181	-	-	-	16,919	17,100
Pastors' Retiring and Widows' Fund	1,834	(9,655)	-	(8,102)	73,694	57,771
Sinclair Fund	12,899	(1,131)	-	10,414	361,809	383,991
	116,898	(158,929)	4,569	2,312	684,741	649,591
Charity	£	£	£	£	£	£
Home Mission	37,642	(45,272)	7,630	-	-	-
Benevolent Fund	1,084	(10,901)	-	-	37,086	27,269
Loan Fund	402	-	-	-	17,100	17,502
Pastors' Retiring and Widows' Fund	1,676	(9,828)	-	2,446	57,771	52,065
Sinclair Fund	13,450	(919)	-	(13,394)	383,991	383,128
	54,254	(66,920)	7,630	(10,948)	495,948	479,964

Figures for previous year for comparison

	Income 2022	Expenditure 2022	Transfers 2022	Other Gains / (Losses)	Brought forward 1/1/2022	Carried forward 31/12/2022
Charity	£	£	£	£	£	£
Hawthorne Family	132	(33,575)	-	-	33,443	-
Home Mission	36,555	(41,124)	4,569	-	-	-
Brighton Fund	62,621	(66,323)	-	-	3,702	-
Benevolent Fund	750	(7,081)	-	-	43,417	37,086
Loan Fund	181	-	-	-	16,919	17,100
Pastors' Retiring and Widows' Fund	1,834	(9,655)	-	(8,102)	73,694	57,771
Sinclair Fund	12,899	(1,131)	-	10,414	361,809	383,991
	114,972	(158,889)	4,569	2,312	532,984	495,948

Hawthorn Family Charitable Fund

This fund is governed by a Deed dated 16th February 1999. Grants are to be made to nominated benefiting churches. The fund was established by a donation, including tax benefit, of £70,000. This fund has now been extinguished.

Home Mission

This fund exists to promote evangelism in the Association churches through education, training, advice, full-time and short-term workers and projects. The majority of the funding is through donations from churches and grant income.

NOTES TO THE ACCOUNTS
YEAR ENDED 31 DECEMBER 2023
(Continued)

20 RESTRICTED FUNDS - Continued

Hayes Lane and Downe Fund(s)

These Funds arose from legacies received to be applied for the benefit of specific churches at the discretion of the directors of Grace Baptist Charities Limited

Brighton Fund

This is a fund set up to promote evangelism through a new church plant based in Brighton. This fund was closed in the year and the money granted to the newly constituted church Grace Church Brighton.

Benevolent Fund

This fund has no governing instrument. Grants are made to Christians in needy circumstances.

Loan Fund

Declaration of Trust dated 27th October 1891 governed this fund. Interest free loans were made to churches for purchase, extension and maintenance of chapels, manses and other church premises. At the end of 2019, the Loan Fund was closed to new applicants as bureaucratic complications made it difficult to continue to make interest free loans. It was decided that the money would be made available to the churches by way of grants rather than loans in the future and therefore the remaining free funds were transferred to the Churches Aid Fund.

Pastors' Retiring and Widows' Fund

Declaration of Trust dated 2nd November 1900 governs this fund. Grants are made to retired pastors, and their widows, who have previously contributed to the fund and are without adequate means of support. The fund is closed to new members.

Sinclair Fund

This fund was established by a will dated 11 September 2001. The church at Gadebridge, Hemel Hempstead, has first call on any fund arising from the legacy

21 ANALYSIS OF NET ASSETS

Consolidated	*2023* *Investments*	*2023* *Tangible assets*	*2023* *Net current assets*	*2023* *Long Term Liabilities*	*2023* *Total*
Current year	£	£	£	£	£
Unrestricted Funds	5,328,326	3,330,439	(260,631)	(423,665)	7,974,469
Restricted Funds	408,016	-	229,829	-	637,845
	5,736,342	3,330,439	(30,802)	(423,665)	8,612,314

Figures for previous year for comparison	*2022*	*2022*	*2022*	*2022*	*2022*
Consolidated	*Investments* £	*Tangible assets* £	*Net current assets* £	*Long Term Liabilities* £	*Total* £
Unrestricted Funds	3,653,340	3,909,164	(437,836)	(458,676)	6,665,992
Restricted Funds	401,891	-	247,700	-	649,591
	4,055,231	3,909,164	(190,136)	(458,676)	7,315,583

ANALYSIS OF NET ASSETS **Charity**	*2023* *Investments*	*2023* *Tangible assets*	*2023* *Net current assets*	*2023* *Long Term Liabilities*	*2023* *Total*
Current year	£	£	£	£	£
Unrestricted Funds	3,869,331	3,330,439	261,869	-	7,461,639
Restricted Funds	408,016	-	71,948	-	479,964
	4,277,347	3,330,439	333,817	-	7,941,603

Figures for previous year for comparison	*2022*	*2022*	*2022*	*2022*	*2022*
Charity	*Investments* £	*Tangible assets* £	*Net current assets* £	*Long Term Liabilities* £	*Total* £
Unrestricted Funds	2,231,021	3,909,164	71,472	-	6,211,657
Restricted Funds	401,891	-	94,057	-	495,948
	2,632,912	3,909,164	165,529	-	6,707,605

NOTES TO THE ACCOUNTS
YEAR ENDED 31 DECEMBER 2023
(Continued)

22 COMMITMENTS

The Association has commitments to make payments, in respect of land and buildings and office equipment, in the following years as follows:

	2023	*2022*
	£	£
Within 1 Year	1,836	1,836
Between 2 and 5 years	460	2,296
	2,296	4,132

23 TRUSTEES' REMUNERATION

No remuneration or benefits were paid to any of the trustees during the year for their services as trustees. Also, there were no trustees' costs paid direct to third parties.

24 TRUSTEES' EXPENSES

	2023	*2022*
	£	£
Expenses incurred by trustees and reimbursed, amounted to:	1,210	260

6 trustees made a total of 24 expenses claims for the cost of travel to meetings and other events.

25 RELATED PARTIES

The following trustees are also directors of Grace Baptist Charities Limited and, as such, have an interest in transactions carried out on behalf of trusts and churches administered by the company and the charity: AA Ottley, A Creedy, P Fuggle, B Jones (Appointed Nov 2023), D J Mortimer, Miss M O' Mara, P Smith, J Southcombe (Treasurer) and P M Woodley. The Transactions involve grants and management charges paid by the trusts and churches administered by the Company.

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

During the year, an interest bearing loan facility of up to £200,000 was granted to Hope Community Church of which the trustee, AA Ottley is also a trustee. £91,500 of the facility had been drawn down at year end. In addition, an interest bearing loan of £25,001 was advanced to Newtown Baptist Church, Chesham of which the trustee D Mortimer is also a trustee. The balance at year end was £9,517.

The following related party transactions occurred in the year:

- A training grant of £6,200 was paid to Adrian Creedy's son in law, Joseph Percy, to enable him to train for the ministry.
- During the year, Caleb Gardner was employed by the Association to assist with archiving. He received £78. Caleb is the son of Abigail Gardner, Finance Officer.
- Lena King catered for the various events hosted by the Association in the year. She received £638. Lena is the wife of Andrew King, Association Secretary.

26 ASSETS HELD ON BEHALF OF THIRD PARTIES

The company acts as a trust corporation being custodian trustee for various churches and trusts. Records are kept which identify the

It has been appointed trustee, in some cases by the Charity Commissioners, of various charities listed in note 25 which have been established to advance the work of the AGBC(SE) in specific geographical areas. The assets held in this capacity at 31 December 2023 were:

	£
Investments under management	5,938,228
Investment properties	1,771,688
Property used for charitable purposes	2,118,109
Other net assets	6,622
Loans	-
	9,834,647

NOTES TO THE ACCOUNTS
YEAR ENDED 31 DECEMBER 2023
(Continued)

26 ASSETS HELD ON BEHALF OF THIRD PARTIES - Continued

The company also acts as custodian trustee of certain assets for various churches which have their own local managing trustees. The cost/valuation of assets held in this capacity (excluding the value of any church premises and manses for which no reliable cost information is available) at 31st December 2023 was:

	£
Investments under management	445,125
Investment property	624,999
Properties used for charitable purposes	1,444,773
Other net assets	425,840
Loans	(297,212)
	2,643,525

27 SUBSIDIARY

The subsidary is Grace Baptist Charities Limited, company number 00096055, charity registration number 1172489 with a registered office of 62 Bride Street, London, N7 8AZ.

It is a subsidary of the charity as the Association of Grace Baptist Churches (South East) has the power to appoint the directors of Grace Baptist Charities Limited and also receives benefit from Grace Baptist Charities Limited.

In previous years the combined income of the charity and its subsidary was below the level of income where consolidated accounts were required.

Grace Baptist Charities Limited acts as Holding trustee for the Association of Grace Baptist Churches (South East) and it's members and other like minded churches.

The financial information of the subsidiary for the year is:

	£
Assets	3,598,795
Liabilities	(2,928,084)
Net funds	670,711

	£
Income	170,124
Expenditure	(149,925)
Net gains on investments	42,534
Net income	62,733

Grace Baptist Association

England & Wales - Charity number 276352

Accounts

ASSOCIATION OF
GRACE BAPTIST CHURCHES
(SOUTH EAST)

FINANCIAL STATEMENTS

FOR THE
YEAR ENDED 31 DECEMBER 2022

Charity number: 276352

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2022

The trustees have pleasure in submitting their report and the audited financial statements for the Association for the year ended 31st December 2022. They have been prepared in the format prescribed by the Statement of Recommended Practice (FRS102) 'Accounting and Reporting by Charities' issued by the Charity Commission.

Objectives and Activities

Objectives

The objects of the Association are to:

1 uphold and promote the Doctrinal Basis
2 promote the unity and prosperity of its Members
3 assist the Members in their charitable purposes as recognised in English law
4 devise and employ means for the furtherance of the gospel, primarily in the Geographical Area.

Policies

The trustees seek to achieve the objects of the Association by encouraging fellowship between churches in prayer, evangelism and practical concern through an Annual Meeting and regular District meetings and activities; supporting member churches in initiating the planting and re-planting of churches in spiritually needy areas; providing help with evangelism through appointed staff, seminars etc: production of a prayer bulletin and other e-mail circulars. The trustees also seek to ensure member churches continue to function effectively by keeping them informed regarding legislation and practical matters relating to property, finance, taxation, insurance etc.

The trustees confirm that they have had due regard to the guidance issued by the Charity Commission on public benefit when planning their activities for the year.

Grant-making Policies

The charity invites applications for funding from churches who are affiliated to the Association of Grace Baptist Churches (South East). The applications are reviewed against specific criteria and objectives, which are set by the Committee. All funded projects are monitored and reviewed on an annual basis.

The charity may also make small grants to individual church members and pastors from churches who are affiliated to the Association of Grace Baptist Churches (South East).

Achievements and Performance

The Association fulfilled its objectives throughout the year.

The Association had 70 member churches at the end of 2022. There is a wide range of activities within these churches including weekly public worship services, Sunday schools, prayer meetings, children's and young people's groups, clubs for the elderly and outreach events reaching many diverse communities.

The Association adapted to the Covid-19 pandemic by increased home working whilst helping Association churches to stay up to date on legislation and supporting churches helping each other despite the restrictions. Whilst many of the churches' usual activities were suspended, they have now reopened, though some churches have retained an increased on-line presence by hosting on-line services.

The Association Charity gave help and advice on a variety of church issues including governance, pastoral practice and evangelism. In March 2022 the Charity organised its first Pastors' & Elders' Overnighter conference held at the High Leigh Conference Centre in Hertfordshire. Over 60 men attended and listened to preaching as well as interacting in group discussions. The Saturday 'Saved2Serve' conference for young people interested in Christian service took place as a day conference with over 60 young people attending after having moved on line during 2021 due to the on-going pandemic.

REPORT OF THE TRUSTEES FOR THE
YEAR ENDED 31 DECEMBER 2022
(continued)

The Association continued to be involved in supporting ongoing church planting projects including Haslemere, Brighton, Didcot and Greenwich. The Association also provided training grants to five men from Association churches to enable them to undertake theological training.

The Association also fostered practical help and support between churches at local level by encouraging activities in the five geographical districts within the Association. This is reflected in ongoing district prayer meetings, leadership fraternals, joint events and general inter-church fellowship, which are increasingly moving back to being in-person events.

The churches gathered in person for our 151st Association Day and AGM in September 2022 and we were pleased to welcome several pastors who had been appointed to Churches during the previous year. The day included teaching ministry and church reports as well as a presentation by Christian Safeguarding Services on the biblical principles for safeguarding in our churches.

Financial help was given to churches and individuals in the form of grants (benevolent) including a special Covid-19 grant to help those struggling in the current crisis.

Financial Review and Future plans

The total funds of the charity decreased to £6,707,605 during 2022, a decrease of 7.5%. This included unrealised losses of £380,131 on the revaluation of investments, due to continued volatility in the stock markets.

The movement on funds before taking into account all losses on investments was a deficit of £178,256. The deficit on the General Fund was £61,646. This ended up being a lower deficit than that originally budgeted, due mainly to reduced costs and higher donations than originally budgeted.

Income

Total income in 2022 decreased by 38.3%. This was split between a decrease of £172,952 in unrestricted funds' income and a decrease of £34,520 in restricted funds' income. This was due to a one-off surplus in 2021 from the sale of a charitable property.

Expenditure

Total expenditure decreased by £103,769.This was split between a decrease of £28,847 in unrestricted funds' expenditure and a decrease of £74,922 in restricted funds' expenditure. The general fund reduction arose mainly due to the Association Secretary being housed in a property owned by the charity rather than rented. The restricted funds' reduction arose from the Gateway Fund being transferred to the newly constituted church in 2021 and there being fewer Home Mission staff members upon the retirement of the Home Mission Director.

Financial Review

A comprehensive financial review takes place each November and policies and budgets for the year ahead are established and refined. Through the year, the budget is compared with actual performance at the Committee meetings following the end of each quarter. This informs the budget for the new calendar year.

Investment powers

The trustees have power to invest, subject to the Trustee Act 2000, and seek to avoid investments which are inconsistent with evangelical ethical standards.

Investment policy

The Investment Policy was reviewed in 2018 with the help of an independent financial adviser and is regularly discussed with the Investment managers to ensure it remains up to date.

REPORT OF THE TRUSTEES FOR THE
YEAR ENDED 31 DECEMBER 2022
(continued)

Reserves policy

It is the policy of the charity to maintain unrestricted funds, which are free reserves of the charity, at a level that equates to approximately six months' unrestricted expenditure. This provides sufficient funds to cover support costs, management and administration and to respond to emergency applications for grants that may arise from time to time.

Fundraising

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

Structure, Governance and Management

The Association was constituted on 10th March 1871. The Association is registered as a charity under reference number 276352.

The Committee

The following extracts are taken from the Constitution and Rules of the Association:

7.1 The Committee are charity trustees of the Association and its property and funds.

7.2 The Committee when complete consists of

7.2.1 twenty elected members elected in accordance with this clause or such other policies and procedures as may be adopted from time to time.

7.2.2 the District Representatives

7.2.3 the Treasurer

7.3 Up to 3 persons, who shall not be trustees or have any voting rights, may be co-opted by and to the committee for the period up to the next AGM.

7.4 Election to Committee membership is open to any individual who is a member of a Member church and approved for election by that Member church. Notwithstanding clause 7.1, an employee of the Association may be a member of the Committee with the prior written consent of the Charity Commission.

7.5 The election of Committee members is by secret ballot.

7.6 No person shall be an elected member unless the number of votes he or she receives equals or exceeds the number which is one third of the Messengers (from Member churches) present at the relevant AGM.

7.7 Subject to clause 7.9 the election or appointment of each Committee member (except co-optees) shall be for a term of three years. Committee members shall (if otherwise qualified) be eligible for re-election or re-appointment as from the end of such term.

7.8 Every Committee member must sign a declaration of willingness to act as a charity trustee of the Association before he or she is eligible to vote at any meeting of the Committee.

7.13 The membership of the Committee shall so far as possible (and consistent with the above provisions) be balanced equally between individuals in full time pastoral or other Christian ministry and individuals from other backgrounds, especially those with experience of property, financial, legal and administrative matters, that is to say individuals who are or have been engaged in a profession, business or trade.

Connected Charities

The Association is connected to **Grace Baptist Charities Limited**. This charity holds funds on deposit for the Association.

Risk management

The trustees have assessed the principal risks to which the charity is exposed, in particular those related to the operations and finance of the charity and are satisfied that systems are in place to mitigate its exposure to the major risks. A risk register is maintained and reviewed.

Key risks and the steps taken to mitigate these include liquidity (properties and investments can be sold to provide greater liquidity); loss of data and systems (mitigated by contracting with external supplier of I.T. support and off-site backups); and loss of key personnel (processes documented).

REPORT OF THE TRUSTEES FOR THE
YEAR ENDED 31 DECEMBER 2022
(continued)

Induction and training of trustees

An induction letter is sent to new trustees which refers to their key role and liability and lists responsibilities which trustees are charged with fulfilling. Enclosed with the letter is the publication by the Charity Commission entitled "The Essential Trustee: What you need to know". The letter has been updated to indicate that trustees will be informed about training opportunities from time to time. The charity's fund managers, Investec, run a series of training seminars each year.

Arrangements for setting pay and remuneration of key management personnel

The Association's pay policy confirms the arrangements for setting levels of remuneration:

- All employees' salaries are reviewed annually as at 1st January of each year.
- The Executive Committee sets the rate of annual increase to be applied for all employees as part of the Financial Review in November. This is reported to the Main Committee.
- Any other changes to salaries or terms and conditions are agreed by the Executive Committee and reported to the Main Committee.

Responsibility of duties and delegation.

The following extracts are taken from the Constitution and Rules of the Association:

Powers of the Committee:

10.1 to appoint a Treasurer subject to approval by the Member churches in general meeting and other honorary officers.
10.2 to delegate any of their functions to sub-committees consisting of three or more persons appointed by them.
10.3 to elect an Executive with the composition, function and delegated powers set out in clauses 11 and 12.2.
10.4 to make Standing Orders consistent with this Constitution to govern proceedings at General Meetings.
10.5 to make Rules consistent with this Constitution about the Committee and sub-committees.
10.6 to make Regulations consistent with this Constitution about the running of the Association .

Powers of the Executive:

11.1 The Executive when complete shall consist of the Chairman, the Treasurer, and six other Committee members elected by the Committee by secret ballot.
11.2 Membership of the Executive shall
11.2.1 take effect from the date of the first committee meeting of the calendar year.
11.2.2 be for a period of three years at the end of which members of the Executive shall be eligible for re-election.
11.3 Each member of the Executive shall unless disqualified by law serve as a director of the Company (Grace Baptist Charities Limited).
11.4 The Executive shall formulate, review, and prepare recommendations as to, matters for discussion or decision at meetings of the Committee or at general meetings.
11.5 The Executive shall be available for consultation on matters within the Association Secretary's or the Finance Officer's remit and shall have the power to take decisions in matters touching the Association or Member churches on behalf of the Association Secretary or the Committee in cases of emergency where in the reasonable judgment of the Executive the matter cannot await a regular or special Committee meeting.

Responsibility of duties and delegation continued

Powers delegated to staff:

12.1 Subject to clause 12.3 the Committee shall appoint such employees as are necessary for the satisfactory running of the Association and of the Company including
12.1.1 the following Officers
12.1.1.1 an Association Secretary who shall be responsible for the day-to-day running of the Association.
12.1.1.2 a Finance Officer who shall be responsible for the financial affairs of the Association and of the Company.
12.1.2 an employee who shall serve as Company Secretary of the Company
and each of whom shall be accountable to the Committee for the discharge of these responsibilities.
12.2 The Association Secretary, Finance Officer and Company Secretary shall be required, unless indisposed, to attend Committee meetings and Executive meetings.
12.3 The power to fix employees' terms of employment (including salary and job description) shall be delegated and reserved to the Executive.

REPORT OF THE TRUSTEES FOR THE
YEAR ENDED 31 DECEMBER 2022
(continued)

Reference and Administrative Details

Trustees during the year were:

D J Mortimer (Chairman)	R Lindie (resigned Oct 2022)	J Sayers
C J Clarkson (Treasurer) retired Oct	S J Lloyd	J Southcombe (Treasurer) appointed Oct 2022
P Fuggle	J G Miller (retired Oct 2022);	P Smith
A Creedy	Miss M O' Mara	A J Wigham
R B King	A A Ottley	D Wilcox (resigned Oct 2022)
B O J Jones	C Mukanga	P M Woodley

Key management personnel during the year were:

Association Secretary	Andrew King
Company Secretary of Grace Baptist Charities Ltd	A M Gardner (Until Sept 2022)/ L Winmill (from Sept 2022)
Finance Officer	A M Gardner

The registered office is at 62 Bride Street, London, N7 8AZ

The principal advisers of the charity are as follows:

Registered Auditors:	Jacob Cavenagh & Skeet, 5 Robin Hood Lane, Sutton, Surrey SM1 2SW
Bankers	CAF Bank Limited, 25 Kingshill Avenue, Kingshill, West Malling, Kent ME19 4JQ
Investment advisers	Investec Wealth and Investment Ltd, 2 Gresham Street, London EC2 7QP
Principal Solicitors	Carter, Lemon Camerons LLP, 10 Aldersgate Street, London, EC1A 4HJ Edward Connor Solicitors, 10 The Point, Market Harborough, LE16 7QU

Trustees Responsibilities

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

Law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the charity's financial activities in the year and of its financial position at the end of the year. In preparing financial statements giving a true and fair view, the trustees are required to:

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

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which enable them to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

FOR AND ON BEHALF OF THE TRUSTEES

J. Southcombe
Trustee

62 Bride Street, London, N7 8AZ

3rd July 2023

REPORT OF THE INDEPENDENT AUDITOR TO THE TRUSTEES OF ASSOCIATION OF GRACE BAPTIST CHURCHES (SOUTH EAST)

Opinion

We have audited the financial statements of the Association of Grace Baptist Churches (South East) (the "Charity") for the year ended 31 December 2022 which comprise the Statement of Financial Activities, Balance Sheet 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 UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the 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 these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the 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 Charity's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

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

Other information

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

REPORT OF THE INDEPENDENT AUDITOR
TO THE TRUSTEES OF
ASSOCIATION OF GRACE BAPTIST CHURCHES (SOUTH EAST)
(continued)

Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement, 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 they 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 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

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

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

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

In response to the risks identified we designed procedures which included, but were not limited to challenging significant accounting estimates, evaluating the Charity's internal controls and verification of investment and property transactions.

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

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

Use of our report

This report is made solely to the 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.

Jacob Cavenagh & Skeet

7 July 2023

Jacob Cavenagh & Skeet,
Statutory Auditor
Chartered Accountants

5 Robin Hood Lane,
Sutton,
Surrey
SM1 2SW

Jacob Cavenagh & Skeet is eligible for appointment as auditor of the Charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

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

	Note	Unrestricted Funds £	Restricted Funds £	*2022* Total Funds £	*2021** Total Funds £
Income from:					
Donations and legacies	2	124,601	99,387	223,988	275,334
Charitiable activities	3	26,166	-	26,166	26,926
Investments	4	68,506	15,585	84,091	106,674
Other Income: Surplus on sale of fixed asset		-	-	-	132,783
Total Income		**219,273**	**114,972**	**334,245**	**541,717**
Expenditure on:					
Raising funds	5	12,789	1,380	14,169	15,772
Charitable activities	6	340,823	157,509	498,332	600,498
Total expenditure		**353,612**	**158,889**	**512,501**	**616,270**
Operating (deficit)		**(134,339)**	**(43,917)**	**(178,256)**	**(74,553)**
Net (losses) / gains on investments					
Realised gains on investments		11,750	1,138	12,888	45,589
Unrealised (losses) / gains on investments	12	(381,305)	1,174	(380,131)	161,892
Total net (losses) / gains on investments		**(369,555)**	**2,312**	**(367,243)**	**207,481**
Net (expenditure) / income		**(503,894)**	**(41,605)**	**(545,499)**	**132,928**
Transfers between funds		**(4,569)**	**4,569**	-	-
Net movement in funds		**(508,463)**	**(37,036)**	**(545,499)**	**132,928**
Reconciliation of funds:					
Funds brought forward		6,720,120	532,984	7,253,104	7,120,176
Funds carried forward	16 & 17	**6,211,657**	**495,948**	**6,707,605**	**7,253,104**

No activities were acquired or discontinued during the year.

* For analysis of unrestricted and restricted financial activities for 2021, see next page.

ASSOCIATION OF GRACE BAPTIST CHURCHES
(SOUTH EAST)

STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED 31 DECEMBER 2022

**Analysis of financial activities for previous year :*	2021		
	Unrestricted Funds £	*Restricted Funds* £	*2021 Total funds* £
Income and endowments from:			
Donations and legacies	144,602	130,732	275,334
Charitable activities	24,854	2,072	26,926
Investments	89.986	16.688	106.674
Other Income: Surplus on sale of fixed asset	132,783	-	132,783
Total income and endowments	**392,225**	**149,492**	**541,717**
Expenditure on:			
Raising funds	14,560	1,212	15,772
Charitable activities	367,899	232,599	600,498
Total expenditure	**382,459**	**233,811**	**616,270**
Operating surplus / (deficit)	**9,766**	**(84,319)**	**(74,553)**
Net gains / (losses) on investments:			
Realised gains on investments	37,355	8,233	45,588
Unrealised gains / (losses) on investments	164,243	(2,350)	161,893
Total net gains on investments	**201,598**	**5,883**	**207,481**
Net income / (expenditure)	**211,364**	**(78,436)**	**132,928**
Transfers between funds	-	-	
Reconciliation of funds:			
Funds brought forward	6,508,756	611,420	7,120,176
Funds carried forward	**6,720,120**	**532,984**	**7,253,104**

BALANCE SHEET
AT 31ST DECEMBER 2022

	Note	£	2022 £	£	2021 £
Fixed assets					
Tangible assets	11		3,909,164		3,913,802
Investments	12		2,632,912		3,011,678
			6,542,076		6,925,480
Current assets					
Loans	13	2,660		2,660	
Debtors	14	18,589		18,337	
Cash deposited with Grace Baptist Charities Ltd		182,901		354,504	
Cash in hand		325		313	
Total current assets		204,475		375,814	
Liabilities					
Creditors: Amounts falling due within one year:					
Other creditors	15	38,946		48,190	
Net current assets			165,529		327,624
Total net assets	18		6,707,605		7,253,104
The funds of the charity:					
Unrestricted funds	16		6,211,657		6,720,120
Revaluation Reserve (unrestricted)			-		-
Total unrestricted funds			6,211,657		6,720,120
Restricted funds	17		297,302		344,752
Revaluation reserve (restricted)			198,646		188,232
Total restricted funds			495,948		532,984
Total funds	18		6,707,605		7,253,104

These financial statements were approved by the trustees on 3rd July 2023 and signed on their behalf by:

J. Southcombe
Trustee

STATEMENT OF CASH FLOWS
YEAR ENDED 31 DECEMBER 2022

Statement of cash flows:	**Table**	***2022 Total Funds*** **£**	***2021 Total Funds*** **£**
Cash flows from operating activities:			
Net cash provided by (used in) operating activities	A	(248,840)	(283,327)
Cash flows from investing activities:			
Dividends, interest and rent from investments		70,099	90,289
Proceeds from sale of property		-	514,718
Purchase of property and equipment		(4,373)	(1,429,012)
Proceeds from sale of other investments		(1)	1,150,000
Proceeds from sale of investments		633,984	504,760
Purchase of investments		(622,460)	(501,984)
Net cash provided by investing activities		77,249	328,771
Change in cash and cash equivalents in the reporting period		**(171,591)**	**45,444**
Cash and cash equivalents at the beginning of the reporting period		354,817	309,373
Cash and cash equivalents at the end of the reporting period	B	**183,226**	**354,817**

Table A - Reconciliation of net income / (expenditure) to net cash flow from operating activities:	***2022*** **£**	***2021*** **£**
Net (expenditure) / income for the reporting period (as per the statement of financial activities)	(545,499)	132,928
Depreciation charges	8,756	8,109
Equipment reclassified as expenditure (ie. written off)	255	1,336
(Gains) / losses on investments	367,243	(207,481)
Dividends, interest and rent from investments	(70,099)	(90,289)
Profit on sale of fixed assets	-	(132,783)
(Increase) / decrease in debtors	(252)	14,237
(Decrease) in creditors	(9,244)	(9,384)
Net cash provided by (used in) operating activities	(248,840)	(283,327)

Table B - Analysis of cash and cash equivalents:		
Cash in hand	325	313
Cash in hand with Grace Baptist Charities Ltd	182,901	354,504
Total cash and cash equivalents	**183,226**	**354,817**

NOTES TO THE ACCOUNTS
YEAR ENDED 31 DECEMBER 2022

1 ACCOUNTING POLICIES

The principal accounting policies adopted. judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

(a) **Accounting convention**

The financial statements have been prepared under the Charities Act 2011 and in accordance with the Charities Statement of Recommended Practice (Charities SORP (FRS 102)) and Financial Reporting Standard 102 (FRS 102). The financial statements are drawn up on the historical cost basis of accounting, as modified by the revaluation of investment properties and other investments. The financial statements are prepared in pounds sterling rounded to the nearest pound.

The Association of Grace Baptist Churches (South East) meets the definition of a public benefit entity under FRS 102. It is an unincorporated charitable trust with registered address of 62 Bride Street, London, N7 8AZ

(b) **Going concern**
There are no material uncertainties about the charity's ability to continue its operations for the foreseeable future.

(c) **Income**

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

Investment income is recognised on an accruals basis.

(d) **Expenditure**

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

(e) **Fixed assets**
Fixed assets held for charity use are stated at cost. Where freehold and leasehold properties are maintained to such a standard that their estimated residual value is in excess of their net book value at any time and depreciation is immaterial. no depreciation is charged.

(f) **Depreciation**
Where properties are maintained to such a standard that their estimated residual value is in excess of their net book value at any time and depreciation is immaterial, no depreciation is charged.

Depreciation is provided on all other tangible fixed assets at rates calculated to write off the cost or valuation of each asset over its expected useful life as follows:

Fixtures and fittings	-	Between 10% and 20% on cost
Computer equipment	-	Between 10% and 33% on cost

(g) **Investments**
Investments and investment properties are stated at market value. The trustees review the value of investment properties annually and obtain external valuations every five years.

Realised and unrealised gains and losses arising on the disposal or revaluation of investments and investment properties are included in the Statement of Financial Activities.

(h) **Debtors**
Loans to churches and other debtors are included at the settlement amount due. Prepayments are valued at the amount prepaid.

(i) **Cash deposited with Grace Baptist Charities Ltd**
Cash deposited with Grace Baptist Charities Ltd is a short term highly liquid investment with a short maturity of three months or less from the date of opening of the deposit.

NOTES TO THE ACCOUNTS
YEAR ENDED 31 DECEMBER 2022
(Continued)

(j) **Creditors**

Creditors and provisions are recognised where the charity has a present obligation arising from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are recognised at their settlement amount.

(k) **Pensions**

The charity operates a defined contribution pension scheme. Contributions payable are charged in the Statement of Financial Activities.

2 INCOME FROM DONATIONS & LEGACIES

	2022 Unrestricted	2022 Restricted	2022 Total	2021 Total
	£	£	£	£
Donations from churches	57,335	250	57,585	53,890
Other donations	5,875	4,314	10,189	19,028
Grant from Grace Baptist Charities Ltd	61,391	-	61,391	58,378
Other grants received	-	94,823	94,823	138,518
Job Retention Scheme Grant - Furlough	-	-	-	5,520
	124,601	99,387	223,988	275,334

3 INCOME FROM CHARITABLE ACTIVITIES

Rent received from tangible assets	19,056	-	19,056	23,237
Income from other charitable activities	7,110	-	7,110	3,689
	26,166	-	26,166	26,926

4 INCOME FROM INVESTMENTS

	2022 Unrestricted	2022 Restricted	2022 Total	2021 Total
	£	£	£	£
Investments listed on recognised stock exchange	66,560	1,694	68,254	82,588
Investments properties - regular income	125	12,768	12,893	12,725
Deposit interest	1,821	1,123	2,944	11,361
	68,506	15,585	84,091	106,674

5 EXPENDITURE ON RAISING FUNDS

	2022 Unrestricted	2022 Restricted	2022 Total	2021 Total
	£	£	£	£
Investment property expenditure	1,991	812	2,803	3,098
Investment management	10,798	568	11,366	12,674
	12,789	1,380	14,169	15,772

NOTES TO THE ACCOUNTS
YEAR ENDED 31 DECEMBER 2022
(Continued)

6 EXPENDITURE ON CHARITABLE EXPENSES

	Note	2022 Unrestricted £	2022 Restricted £	2022 Total £	2021 Total £
Staff costs	7	189,106	47,912	237,018	268,512
Property expenditure		28,516	24,637	53,153	92,263
Grants payable	9				
Churches and institutions		55,747	61,413	117,160	140,364
Individuals		22,600	16,486	39,086	50,579
Home Mission costs exc. Personnel		-	2,131	2,131	2,303
Office and stationery costs		16,406	1,958	18,364	23,605
Photocopier costs including rentals		1,990	-	1,990	2,363
Depreciation		9,011	-	9,011	9,445
Website and publications		210	-	210	-
Provision of conferences and training		7,830	-	7,830	-
Management charge		-	20	20	20
Trustees' indemnity insurance		877	-	877	863
Bank charges and interest		231	-	231	317
		332,524	154,557	487,081	590,634
Governance costs:					
Legal and professional fees		607	2,952	3,559	-
Auditors' fees	10	4,715	-	4,715	4,592
Costs of meetings		2,977	-	2,977	5,272
		8,299	2,952	11,251	9,864
Total Expenditure on charitable activities		340,823	157,509	498,332	600,498

7 STAFF COSTS

Total staff emoluments for the year were as follows:	2022 £	2021 £
Salary costs	192,779	222,777
National Insurance costs	14,354	17,159
Employer's pension contributions	21,491	17,208
Benefits in kind - season tickets	1,131	1,520
Other staff travel etc.	4,271	8,197
Staff training and conferences	2,992	1,650
	237,018	268,511

There were no pension contributions outstanding at year end. (2021:nil). No employee received remuneration amounting to more than £60,000 in the current year or previous year. Included in salary costs for 2021 above is a termination payment of £12,528 in lieu of notice.

The average number of staff by head count and full-time equivalent during the year was:

	2022 Head Count Ave. No	2022 Fte Ave. No	2021 Head Count Ave. No	2021 Fte Ave. No
Association office staff	6.0	4.1	7.0	4.2
Home Mission staff	1.0	0.4	3.0	1.4
Total staff	7.0	4.5	10.0	5.6

NOTES TO THE ACCOUNTS
YEAR ENDED 31 DECEMBER 2022
(Continued)

8 KEY MANAGEMENT PERSONNEL

The key management personnel for the Association are Association Secretary: Company Secretary and Finance Officer. The total employee benefits received by these personnel were:

	2022	2021
	£	£
Salary costs	91,653	137,332
National Insurance costs	10,249	15,014
Employer's pension contribution	11,897	10,726
Benefits in kind	-	150
	113,799	163,223

9 GRANTS PAYABLE

	2022 Unrestricted	2022 Restricted	2022 Total	2021 Total
Grants payable to churches and institutions:	£	£	£	£
Affinity	5,256	-	5,256	5,254
Hayes Lane Baptist Church, Bromley	-	15,240	15,240	11,152
St. John's Wood Road Baptist Church	-	33,557	33,557	56,978
Cost of Living Grants (5 Churches)	7,500	-	7,500	-
Edlesborough Baptist Church (Churches Aid Fund)	5,000	-	5,000	-
Grace Baptist Church Grays (Churches Aid Fund)	5,000	-	5,000	-
Newtown Baptist Church, Chesham (Training)	12,000	-	12,000	-
Grace Church, Walthamstow (Churches Aid Fund)	3,064	-	3,064	5,000
Grace Church Brighton (Training)	14,000	-	14,000	-
Grace Church Brighton	289	12,616	12,905	-
Rehoboth Baptist Church, Horsham (Training)	(2,162)	-	(2,162)	5,785
Prettygate Baptist Church, Colchester (Training)	-	-	-	2,850
Prettygate Baptist Church, Colchester (Churches Aid Fund)	-	-	-	5,000
Kings Road Baptist Church, Chingford (Churches Aid Fund)	5,000	-	5,000	4,000
Small Training Grants (Churches Aid Fund)	800	-	800	-
Grace Baptist Church, Ebbsfleet	-	-	-	44,314
	55,747	61,413	117,160	140,333

All grants to churches and institutions are either approved by the trustees or are reported to the trustees, if being made in accordance with the terms of a restricted fund. The grants are made for the purposes of supporting member churches with building repairs or specific projects. A new means-tested grant was introduced this year to help towards utility bills during the current inflationary climate.

Grants payable to individuals:	2022	2021
	£	£
Training Fund - unrestricted (4 grants)	16,000	38,699
Churches Aid Fund - unrestricted (4 grants)	1,600	470
Cost of Living Grants - unrestricted (10 grants)	5,000	-
Benevolent Fund - restricted (4 grants)	7,081	2,275
Pastors' Retiring & Widows' Fund - restricted (9 beneficiaries)	9,405	9,135
	39,086	50,579

All grants to individuals are approved by the trustees with the exception of grants from the Benevolent Fund which, for reasons of confidentiality, are proposed by the Association Secretary, authorised by the Honorary Treasurer and paid by the Finance Officer.

NOTES TO THE ACCOUNTS
YEAR ENDED 31 DECEMBER 2022
(Continued)

10 AUDIT, INDEPENDENT EXAMINATION AND OTHER FINANCIAL SERVICES FEES

The company's auditors made the following charges:	2022	2021
	£	£
Fee for audit of accounts	4,560	4,560
Fee for other services	32	32
	4,592	4,592

11 TANGIBLE ASSETS

Held in futherance of the charity's objects:

	Freehold property	Leasehold property	Fixtures, fittings and equipment	Total
	£	£	£	£
Market Value / Cost				
At 1st January 2022	3,583,705	315,600	36,734	3,936,039
Disposals	-	-	(546)	(546)
Additions	-	-	4,373	4,373
At 31st December 2022	3,583,705	315,600	40,561	3,939,866
Depreciation				
At 1st January 2022	-	-	22,237	22,237
Disposals	-	-	(291)	(291)
Additions	-	-	8,756	8,756
At 31st December 2022	-	-	30,702	30,702
Net book value				
At 31st December 2022	3,583,705	315,600	9,859	3,909,164
At 31st December 2021	3,583,705	315,600	14,497	3,913,802

12 INVESTMENTS

	2022 Investment properties	2022 Quoted investments	2022 Total
	£	£	£
Market value at 1st January 2022	357,732	2,653,946	3,011,678
Additions	-	622,460	622,460
Disposals	-	(621,095)	(621,095)
Unrealised gains / (losses)	10,414	(390,545)	(380,131)
Market value at 31st December 2022	368,146	2,264,766	2,632,912
At Cost			
As at 31st December 2022	169,500	394,285	563,785
As at 31st December 2021	482,125	394,285	876,410

The trustees obtained professional valuations for all the investment properties in December 2021.

NOTES TO THE ACCOUNTS
YEAR ENDED 31 DECEMBER 2022
(Continued)

13 LOANS	*2022* £	*2021* £
Loans (to 1 church)	2,660	2,660

Loans are interest free and repayable within ten years. Included within loans is approximately £1,330 repayable after more than one year.

14 DEBTORS	*2022* £	*2021* £
Other debtors	18,589	16,513
Prepayments	-	1,824
	18,589	18,337

15 CREDITORS	*2022* £	*2021* £
Other creditors	38,946	48,190
	38,946	48,190

16 UNRESTRICTED FUNDS	Income 2022 £	Expenditure 2022 £	Transfers 2022 £	Other Gains / (Losses) £	Brought forward 1/1/2022 £	Carried forward 31/12/2022 £
General Fund	219,273	(280,919)	(4,569)	(369,555)	6,156,985	5,721,215
Churches Aid Fund	-	(32,855)	-	-	99,316	66,461
Training Fund	-	(39,838)	-	-	2,819	(37,019)
Walthamstow Manse	-	-	-	-	461,000	461,000
	219,273	(353,612)	(4,569)	(369,555)	6,720,120	6,211,657

Figures for previous year for comparison

2021	Income 2021 £	Expenditure 2021 £	Transfers 2021 £	Other Gains / (Losses) £	Brought forward 1/1/2021 £	Carried forward 31/12/2021 £
General Fund	341,740	(320,655)	(25,000)	201,598	5,959,302	6,156,985
Churches Aid Fund	485	(14,470)	25,000	-	88,301	99,316
Training Fund	50,000	(47,334)	-	-	153	2,819
Walthamstow Manse	-	-	-	-	461,000	461,000
	392,225	(382,459)	-	201,598	6,508,756	6,720,120

Churches Aid Fund

This designated fund was established in 1979 to set aside funds at the discretion of the trustees for the purpose of making grants and loans to churches within the Association. This Fund was increased by a grant of £25,000 in 2021. A portion of the Fund has been set aside to provide cost of living hardship grants to individuals and churches in the current economic climate

Training Fund

This designated fund was established in 2015 to set aside funds at the discretion of the trustees for the purpose of making grants to churches and trainees to support people in training for ministry. A grant of £60,000 has been agreed to top up this fund in 2023. This will be sufficient to cover all of the grants agreed in 2022/23.

Walthamstow Manse

This designated fund was established in 2015 as a result of the closure of Church Hill Baptist Church, Walthamstow. Under the 1944 conveyance and declaration of trust, the Association stands possessed of the church manse. The building was registered at the Land Registry in the year and continues to be used by Grace Church Walthamstow, a new church plant in Walthamstow.

NOTES TO THE ACCOUNTS
YEAR ENDED 31 DECEMBER 2022
(Continued)

17 RESTRICTED FUNDS	Income 2022	Expenditure 2022	Transfers 2022	Other Gains / (Losses)	Brought forward 1/1/2022	Carried forward 31/12/2022
	£	£	£	£	£	£
Hawthorne Family	132	(33,575)	-	-	33,443	-
Home Mission	36,555	(41,124)	4,569	-	-	-
Gateway Fund	-	-	-	-	-	-
Brighton Fund	62,621	(66,323)	-	-	3,702	-
Benevolent Fund	750	(7,081)	-	-	43,417	37,086
Loan Fund	181	-	-	-	16,919	17,100
Pastors' Retiring and Widows' Fund	1,834	(9,655)	-	(8,102)	73,694	57,771
Sinclair Fund	12,899	(1,131)	-	10,414	361,809	383,991
	114,972	(158,889)	4,569	2,312	532,984	495,948

Figures for previous year for comparison

2021	Income 2021	Expenditure 2021	Transfers 2021	Other Gains / (Losses)	Brought forward 1/1/2021	Carried forward 31/12/2021
	£	£	£	£	£	£
Hawthorne Family	680	(56,998)	-	-	89,761	33,443
Home Mission	52,340	(52,340)	-	-	-	-
Gateway Fund	34,512	(69,529)	-	-	35,017	-
Brighton Fund	45,997	(42,295)			-	3,702
Benevolent Fund	753	(2,275)	-	-	44,939	43,417
Loan Fund	117	-	-	-	16,802	16,919
Pastors' Retiring and Widows' Fund	2,485	(9,481)	-	5,883	74,807	73,694
Sinclair Fund	12,608	(893)	-	-	350,094	361,809
	149,492	(233,811)	-	5,883	611,420	532,984

Hawthorn Family Charitable Fund
This fund is governed by a Deed dated 16th February 1999. Grants are to be made to nominated benefiting churches. The fund was established by a donation, including tax benefit, of £70,000. This fund has now been extinguished.

Home Mission

This fund exists to promote evangelism in the Association churches through education, training, advice, full-time and short-term workers and projects. The majority of the funding is through donations from churches and grant income.

Gateway Fund
This is a special Home Mission Fund to promote evangelism through a new church plant for the planned new Gateway community in Ebbsfleet, Kent. This Fund was closed in the year and the money granted to the newly constituted church Grace Church, Ebbsfleet.

Brighton Fund
This is a fund set up to promote evangelism through a new church plant based in Brighton. This fund was closed in the year and the money granted to the newly constituted church Grace Church Brighton.

Benevolent Fund
This fund has no governing instrument. Grants are made to Christians in needy circumstances.

Loan Fund

Declaration of Trust dated 27th October 1891 governed this fund. Interest free loans were made to churches for purchase, extension and maintenance of chapels, manses and other church premises. At the end of 2019, the Loan Fund was closed to new applicants as bureaucratic complications made it difficult to continue to make interest free loans. It was decided that the money would be made available to the churches by way of grants rather than loans in the future and therefore the remaining free funds were transferred to the Churches Aid Fund.

Pastors' Retiring and Widows' Fund

Declaration of Trust dated 2nd November 1900 governs this fund. Grants are made to retired pastors, and their widows, who have previously contributed to the fund and are without adequate means of support. The fund is closed to new members.

NOTES TO THE ACCOUNTS
YEAR ENDED 31 DECEMBER 2022
(Continued)

17 RESTRICTED FUNDS - Continued

Sinclair Fund

This fund was established by a will dated 11 September 2001. The church at Gadebridge, Hemel Hempstead, has first call on any fund arising from the legacy.

18 ANALYSIS OF NET ASSETS

Current year	*2022 Investments* £	*2022 Tangible assets*	*2022 Net current assets* £	*2022 Total* £
Unrestricted Funds	2,231,021	3,909,164	71,472	6,211,657
Restricted Funds	401,891	-	94,057	495,948
	2,632,912	3,909,164	165,529	6,707,605

Figures for previous year for comparison	*2021 Investments* £	*2021 Tangible assets*	*2021 Net current assets* £	*2021 Total* £
Unrestricted Funds	2,594,527	3,913,802	211,791	6,720,120
Restricted Funds	417,151	-	115,833	532,984
	3,011,678	3,913,802	327,624	7,253,104

19 COMMITMENTS

The Association has commitments to make payments, in respect of land and buildings and office equipment, in the following years as follows:

	2022 £	*2021* £
Within 1 Year	1,836	1,836
Between 2 and 5 years	2,296	4,132
	4,132	5,968

20 TRUSTEES' REMUNERATION

No remuneration or benefits were paid to any of the trustees during the year for their services as trustees. Also, there were no trustees' costs paid direct to third parties.

21 TRUSTEES' EXPENSES

	2022 £	*2021* £
Expenses incurred by trustees and reimbursed, amounted to:	779	260

6 trustees made a total of 24 expenses claims for the cost of travel to meetings and other events.

22 RELATED PARTIES

The following trustees are also directors of Grace Baptist Charities Limited and, as such, have an interest in transactions carried out on behalf of trusts and churches administered by the company and the charity: A A Ottley, C J Clarkson (Treasurer) retired Oct 2022, A Creedy, P Fuggle (appointed March 2022), J G Miller (retired Oct 2022), D J Mortimer, Miss M O' Mara, P Smith (Appointed Nov 2022), J Southcombe (Treasurer) appointed Oct 2022 and P M Woodley. Details of the transactions and balances are disclosed in the notes to the accounts.

The following related party transactions occurred in the year:

- A training grant of £10,000 was paid to Adrian Creedy's son in law, Joseph Percy, to enable him to train for the ministry.
- During the year, Caleb Gardner were employed by the Association to assist with archiving. He received £146. Caleb is the son of Abigail Gardner, Finance Officer.
- A cost of living benevolent grant of £500 was paid to Chola Mukaga as he was eligible under the rules of the grant.

NOTES TO THE ACCOUNTS
YEAR ENDED 31 DECEMBER 2022
(Continued)

23 POST BALANCE SHEET EVENT

At the end of 2020, the church at Kew decided to dissolve the church after many years of attempted revitalisation. In July 2021, after detailed review, the Association Committee decided not to attempt a further church plant and rather to sell the church and manse using the proceeds to further the work of the Association in accordance with the underlying Trust Deeds. The buildings were finally sold in April 2023 for £2.2m. Under the Manse Trust Deed, the Association of Grace Baptist Church (South East) is the ultimate beneficiary. As a result, in 2023 there will be a receipt of £1m (less selling costs) reflecting the Association's share of the proceeds.

Grace Baptist Association

England & Wales - Charity number 276352

Accounts

ASSOCIATION OF
GRACE BAPTIST CHURCHES
(SOUTH EAST)

FINANCIAL STATEMENTS

FOR THE
YEAR ENDED 31 DECEMBER 2021

Charity number: 276352

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2021

The trustees have pleasure in submitting their report and the audited financial statements for the Association for the year ended 31st December 2021. They have been prepared in the format prescribed by the Statement of Recommended Practice (FRS102) 'Accounting and Reporting by Charities' issued by the Charity Commission.

Objectives and Activities

Objectives

The objects of the Association are to:

1 uphold and promote the Doctrinal Basis
2 promote the unity and prosperity of its Members
3 assist the Members in their charitable purposes as recognised in English law
4 devise and employ means for the furtherance of the gospel, primarily in the Geographical Area.

Policies

The trustees seek to achieve the objects of the Association by encouraging fellowship between churches in prayer, evangelism and practical concern through an Annual Meeting and regular District meetings and activities; supporting member churches in initiating the planting and re-planting of churches in spiritually needy areas; providing help with evangelism through appointed staff, seminars etc; production of a prayer bulletin and other e-mail circulars. The trustees also seek to ensure member churches continue to function effectively by keeping them informed regarding legislation and practical matters relating to property, finance, taxation, insurance etc.

The trustees confirm that they have had due regard to the guidance issued by the Charity Commission on public benefit when planning their activities for the year.

Grant-making Policies

The charity invites applications for funding from Churches who are affiliated to the Association of Grace Baptist Churches (South East). The applications are reviewed against specific criteria and objectives, which are set by the Committee. All funded projects are monitored and reviewed on an annual basis.

The charity may also make small grants to individual church members and pastors from Churches who are affiliated to the Association of Grace Baptist Churches (South East).

Achievements and Performance

The Association fulfilled its objectives throughout the year.

The Association had 66 member Churches at the end of 2021. There is a wide range of activities within these Churches including weekly public worship services, Sunday schools, prayer meetings, children's and young people's groups, clubs for the elderly and outreach events reaching many diverse communities.

The Association adapted to the Covid-19 pandemic by increased home working whilst helping Association churches to stay up to date on legislation and supporting churches helping each other despite the restrictions. Whilst many of the churches usual activities were suspended, they have now reopened though some churches have retained an increased on-line presence by hosting on-line services.

The Association Charity gave help and advice on a variety of church issues including governance, pastoral practice and evangelism. The weekend 'Saved2Serve' conference for young people interested in Christian service moved on line during 2021 due to the on-going pandemic. However the Association AGM was hosted in person and was a joyful celebration of 150 years of associating.

The Association continued to be involved in supporting ongoing church planting projects and helping churches plant other churches. Grace Church, Ebbsfleet is a current Association Project and three further church plants are underway with in the Association family of churches including Hazlemere, Brighton and Didcot. We are also involved in supporting the replanting of Churches within the Association which had closed. There are currently two such replants in Greenwich and Walthamstow.

The Association also fostered practical help and support between Churches at local level by encouraging activities in the five geographical districts within the Association. This is reflected in ongoing district prayer meetings, leadership fraternals, joint events and general inter-church fellowship, which are increasingly moving back to being in person events.

The churches gathered in person for our 150th anniversary event and AGM in September 2021 and we were pleased to welcome several pastors who had been appointed to Churches during the previous year. A special book was commissioned and launched at the 150th event entitled 'Association - Local Independent Baptist Churches in fellowship and Mission. The main speaker at the Anniversary day was Mark Dever, senior pastor at Capital Hill Baptist Church, Washington DC. One new Committee member was also appointed.

Financial help was given to Churches and individuals in the form of grants (benevolent) including a special Covid-19 grant to help those struggling in the current crisis.

Financial Review and Future plans

The total funds of the charity increased to £7,253,104 during 2021, an increase of 1.9%. This included unrealised gains of £161,893 on the revaluation of investments, recovering some of the losses incurred due to the pandemic.

The movement on funds before taking into account all gains on investments was a deficit of £74,553. The surplus on the General Fund was £21,085. This ended up being a higher surplus to that originally budgeted due to a surplus generated by the sale of fixed asset no longer required. A decision was made to top up the Churches Aid Fund by £25,000 as a result of the surplus.

Income

Total income in 2021 increased by 51.3%. This was split between an increase of £192,822 in unrestricted funds' income and an decrease of £9,148 in restricted funds' income. This was due to investment income recovering after the pandemic, surplus on the sale of a charitable property and a grant to top up the training fund of £50,000

Expenditure

Total expenditure increased by £86,719.This was split between a increase of £48,919 in unrestricted funds' expenditure and an increase of £37,800 in restricted funds' expenditure. This was due to a increased support in the office, cost of moving premises and additional meeting expenditure as a result of the 150th anniversary. In addition, a new restricted Fund was established to cover the expenditure in relation to the new Brighton Plant.

Financial Review

A comprehensive financial review takes place each November and policies and budgets for the year ahead are established and refined. Through the year, the budget is compared with actual performance at the Committee meetings following the end of each quarter. This informs the budget for the new calendar year.

Investment powers

The trustees have power to invest, subject to the Trustee Act 2000, and seek to avoid investments which are inconsistent with evangelical ethical standards.

Investment policy

The Investment Policy was reviewed in 2018 with the help of an independent financial adviser and is regularly discussed with the Investment managers to ensure it remains up to date.

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

Reserves policy
It is the policy of the charity to maintain unrestricted funds, which are free reserves of the charity, at a level that equates to approximately six months' unrestricted expenditure. This provides sufficient funds to cover support costs, management and administration and to respond to emergency applications for grants that may arise from time to time.

Fundraising

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

Structure, Governance and Management
The Association was constituted on 10th March 1871. The Association is registered as a charity under reference number 276352.

The Committee
The following extracts are taken from the Constitution and Rules of the Association:

7.1 The Committee are charity trustees of the Association and its property and funds.

7.2 The Committee when complete consists of

7.2.1 twenty elected members elected in accordance with this clause or such other policies and procedures as may be adopted from time to time.

7.2.2 the District Representatives

7.2.3 the Treasurer

7.3 Up to 3 persons, who shall not be trustees or have any voting rights, may be co-opted by and to the committee for the period up to the next AGM.

7.4 Election to Committee membership is open to any individual who is a member of a Member church and approved for election by that Member church. Notwithstanding clause 7.1, an employee of the Association may be a member of the Committee with the prior written consent of the Charity Commission.

7.5 The election of Committee members is by secret ballot.

7.6 No person shall be an elected member unless the number of votes he or she receives equals or exceeds the number which is one third of the Messengers (from Member churches) present at the relevant AGM.

7.7 Subject to clause 7.9 the election or appointment of each Committee member (except co-optees) shall be for a term of three years. Committee members shall (if otherwise qualified) be eligible for re-election or re-appointment as from the end of such term.

7.8 Every Committee member must sign a declaration of willingness to act as a charity trustee of the Association before he or she is eligible to vote at any meeting of the Committee.

7.13 The membership of the Committee shall so far as possible (and consistent with the above provisions) be balanced equally between individuals in full time pastoral or other Christian ministry and individuals from other backgrounds, especially those with experience of property, financial, legal and administrative matters, that is to say individuals who are or have been engaged in a profession, business or trade.

Connected Charities

The Association is connected to **Grace Baptist Charities Limited**. This charity holds funds on deposit for the Association.

Risk management
The trustees have assessed the principal risks to which the charity is exposed, in particular those related to the operations and finance of the charity and are satisfied that systems are in place to mitigate its exposure to the major risks. A risk register is maintained and reviewed.

Key risks and the steps taken to mitigate these include liquidity (properties and investments can be sold to provide greater liquidity); loss of data and systems (mitigated by contracting with external supplier of I.T. support and off-site backups); and loss of key personnel (processes documented).

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

Induction and training of trustees

An induction letter is sent to new trustees which refers to their key role and liability and lists responsibilities which trustees are charged with fulfilling. Enclosed with the letter is the publication by the Charity Commission entitled "The Essential Trustee: What you need to know". The letter has been updated to indicate that trustees will be informed about training opportunities from time to time. The charity's fund managers, Investec, run a series of training seminars each year.

Arrangements for setting pay and remuneration of key management personnel

The Association's pay policy confirms the arrangements for setting levels of remuneration:

- All employees' salaries are reviewed annually as at 1st January of each year.
- The Executive Committee sets the rate of annual increase to be applied for all employees as part of the Financial Review in November. This is reported to the Main Committee.
- Any other changes to salaries or terms and conditions are agreed by the Executive Committee and reported to the Main Committee.

Responsibility of duties and delegation.

The following extracts are taken from the Constitution and Rules of the Association:

Powers of the Committee:

10.1 to appoint a Treasurer subject to approval by the Member churches in general meeting and other honorary officers.
10.2 to delegate any of their functions to sub-committees consisting of three or more persons appointed by them.
10.3 to elect an Executive with the composition, function and delegated powers set out in clauses 11 and 12.2.
10.4 to make Standing Orders consistent with this Constitution to govern proceedings at General Meetings.
10.5 to make Rules consistent with this Constitution about the Committee and sub-committees.
10.6 to make Regulations consistent with this Constitution about the running of the Association .

Powers of the Executive:

11.1 The Executive when complete shall consist of the Chairman, the Treasurer, and six other Committee members elected by the Committee by secret ballot.
11.2 Membership of the Executive shall
11.2.1 take effect from the date of the first committee meeting of the calendar year.
11.2.2 be for a period of three years at the end of which members of the Executive shall be eligible for re-election.
11.3 Each member of the Executive shall unless disqualified by law serve as a director of the Company (Grace Baptist
11.4 The Executive shall formulate, review, and prepare recommendations as to, matters for discussion or decision at meetings of the Committee or at general meetings.
11.5 The Executive shall be available for consultation on matters within the Association Secretary's or the Finance Officer's remit and shall have the power to take decisions in matters touching the Association or Member churches on behalf of the Association Secretary or the Committee in cases of emergency where in the reasonable judgment of the Executive the matter cannot await a regular or special Committee meeting.

Responsibility of duties and delegation continued

Powers delegated to staff:

12.1 Subject to clause 12.3 the Committee shall appoint such employees as are necessary for the satisfactory running of the Association and of the Company including
12.1.1 the following Officers
12.1.1.1 an Association Secretary who shall be responsible for the day-to-day running of the Association.
12.1.1.2 a Finance Officer who shall be responsible for the financial affairs of the Association and of the Company.
12.1.2 an employee who shall serve as Company Secretary of the Company
and each of whom shall be accountable to the Committee for the discharge of these responsibilities.
12.2 The Association Secretary, Finance Officer and Company Secretary shall be required, unless indisposed, to attend Committee meetings and Executive meetings.
12.3 The power to fix employees' terms of employment (including salary and job description) shall be delegated and reserved to the Executive.

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

Reference and Administrative Details

Trustees during the year were:

A A Ottley (Chairman)	R Lindie	J Sayers
C J Clarkson (Treasurer)	S J Lloyd	J Southcombe
P Fuggle	J G Miller;	P Smith
A Creedy	Miss M O' Mara	A J Wigham
R B King	D J Mortimer	D Wilcox
B O J Jones	C Mukanga (appointed October 2021)	P M Woodley

Key management personnel during the year were:

Association Secretary	Andrew King
Company Secretary of Grace Baptist Charities Ltd	J Green (Resigned Nov 2021) (A Gardner from Dec 2021)
Director of Home Mission	Nigel Hoad (retired April 2021)
Finance Officer	A M Gardner

The registered office is at 62 Bride Street, London, N7 8AZ

The principal advisers of the company are as follows:

Registered Auditors:	Jacob Cavenagh & Skeet, 5 Robin Hood Lane, Sutton, Surrey SM1 2SW
Bankers	CAF Bank Limited, 25 Kingshill Avenue, Kingshill, West Malling, Kent ME19 4JQ
Investment advisers	Investec Wealth and Investment Ltd, 2 Gresham Street, London EC2 7QP
Principal Solicitors	Carter, Lemon Camerons LLP, 10 Aldersgate Street, London, EC1A 4HJ Edward Connor Solicitors, 10 The Point, Market Harborough, LE16 7QU

Trustees Responsibilities

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

Law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the charity's financial activities in the year and of its financial position at the end of the year. In preparing financial statements giving a true and fair view, the Trustees are required to:

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

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

FOR AND ON BEHALF OF THE TRUSTEES

C. J Clarkson
Trustee

62 Bride Street, London, N7 8AZ

4th July 2022

REPORT OF THE INDEPENDENT AUDITOR
TO THE TRUSTEES OF
ASSOCIATION OF GRACE BAPTIST CHURCHES
(SOUTH EAST)

Opinion
We have audited the financial statements of the Association of Grace Baptist Churches (South East) (the "Charity") for the year ended 31 December 2021 which comprise the Statement of Financial Activities, Balance Sheet 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 UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the 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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern
In auditing the financial statements, we have concluded that the 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 Charity's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

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

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the Charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received
- the financial statements are not in agreement with the accounting records and returns: or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

REPORT OF THE INDEPENDENT AUDITOR
TO THE TRUSTEES OF
ASSOCIATION OF GRACE BAPTIST CHURCHES (SOUTH EAST)
(continued)

Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement, 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 they 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 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

In response to the risks identified we designed procedures which included, but were not limited to challenging significant accounting estimates, evaluating the company's internal controls and verification of investment and property transactions.

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

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

Use of our report

This report is made solely to the 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.

Jacob, Cavenagh & Skeet

19 July 2022

Jacob Cavenagh & Skeet,
Statutory Auditor
Chartered Accountants

5 Robin Hood Lane,
Sutton,
Surrey
SM1 2SW

Jacob Cavenagh & Skeet is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

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

	Note	Unrestricted Funds £	Restricted Funds £	*2021* Total Funds £	*2020** Total Funds £
Income from:					
Donations and legacies	2	144,602	130,732	275,334	212,595
Charitiable activities	3	24,854	2,072	26,926	49,822
Investments	4	89,986	16,688	106,674	95,626
Other Income: Surplus on sale of fixed asset		132,783	-	132,783	-
Total Income		**392,225**	**149,492**	**541,717**	**358,043**
Expenditure on:					
Raising funds	5	14,560	1,212	15,772	9,672
Charitable activities	6	367,899	232,599	600,498	519,879
Total expenditure		**382,459**	**233,811**	**616,270**	**529,551**
Operating (deficit)		**9,766**	**(84,319)**	**(74,553)**	**(171,508)**
Net gains / (losses) on investments					
Realised gains / (losses) on investments		37,355	8,233	45,588	(92,987)
Unrealised gains on investments	12	164,243	(2,350)	161,893	7,959
Total net gains / (losses) on investments		**201,598**	**5,883**	**207,481**	**(85,028)**
Net income / (expenditure)		**211,364**	**(78,436)**	**132,928**	**(256,536)**
Transfers between funds		-	-	-	-
Net movement in funds		**211,364**	**(78,436)**	**132,928**	**(256,536)**
Reconciliation of funds:					
Funds brought forward		6,508,756	611,420	7,120,176	7,376,712
Funds carried forward	16 & 17	**6,720,120**	**532,984**	**7,253,104**	**7,120,176**

No activities were acquired or discontinued during the year.

* For analysis of unrestricted and restricted financial activities for 2020, see next page.

ASSOCIATION OF GRACE BAPTIST CHURCHES
(SOUTH EAST)

STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED 31 DECEMBER 2021

**Analysis of financial activities for previous year :*	2020		
	Unrestricted Funds £	*Restricted Funds* £	*2020 Total funds* £
Income and endowments from:			
Donations and legacies	73,813	138,782	212,595
Charitable activities	47,504	2,318	49,822
Investments	78,086	17,540	95,626
Total income and endowments	**199,403**	**158,640**	**358,043**
Expenditure on:			
Raising funds	8,484	1,188	9,672
Charitable activities	325,056	194,823	519,879
Total expenditure	**333,540**	**196,011**	**529,551**
Operating (deficit)	**(134,137)**	**(37,371)**	**(171,508)**
Net gains / (losses) on investments:			
Realised (losses) on investments	(91,536)	(1,452)	(92,988)
Unrealised (losses) / gains on investments	(12,934)	20,894	7,960
Total net (losses) / gains on investments	**(104,470)**	**19,442**	**(85,028)**
Net (expenditure)	**(238,607)**	**(17,929)**	**(256,536)**
Transfers between funds	-	-	
Reconciliation of funds:			
Funds brought forward	6,747,363	629,349	7,376,712
Funds carried forward	**6,508,756**	**611,420**	**7,120,176**

BALANCE SHEET
AT 31ST DECEMBER 2021

	Note	£	2021 £	£	2020 £
Fixed assets					
Tangible assets	11		3,913,802		2,876,171
Investments	12		3,011,678		3,956,970
			6,925,480		6,833,141
Current assets					
Loans	13	2,660		13,200	
Debtors	14	18,337		22,034	
Cash deposited with Grace Baptist Charities Ltd		354,504		309,055	
Cash in hand		313		318	
Total Current assets		375,814		344,607	
Liabilities					
Creditors: Amounts falling due within one year:					
Other creditors	15	48,190		57,572	
Net current assets			327,624		287,035
Total net assets	18		7,253,104		7,120,176
The funds of the charity:					
Unrestricted funds	16		6,720,120		5,808,756
Revaluation Reserve (unrestricted)			-		700,000
Total Unrestricted Funds			6,720,120		6,508,756
Restricted funds	17		344,752		423,188
Revaluation reserve (restricted)			188,232		188,232
Total restricted funds			532,984		611,420
Total funds	18		7,253,104		7,120,176

These financial statements were approved by the trustees on 4th July 2022 and signed on their behalf by:

C. J Clarkson
Trustee

STATEMENT OF CASH FLOWS
YEAR ENDED 31 DECEMBER 2021

Statement of cash flows:	Table	*2021 Total Funds* £	*2020 Total Funds* £
Cash flows from operating activities:			
Net cash provided by (used in) operating activities	A	(283,327)	(225,091)
Cash flows from investing activities:			
Dividends, interest and rent from investments		90,289	81,982
Proceeds from sale of property		514,718	-
Purchase of property and equipment		(1,429,012)	(3,397)
Proceeds from sale of other investments		1,150,000	6,066
Proceeds from sale of investments		504,760	336,437
Purchase of investments		(501,984)	(325,006)
Net cash provided by investing activities		328,771	96,082
Change in cash and cash equivalents in the reporting period		**45,444**	**(129,009)**
Cash and cash equivalents at the beginning of the reporting period		309,373	438,382
Cash and cash equivalents at the end of the reporting period	B	**354,817**	**309,373**

Table A - Reconciliation of net income / (expenditure) to net cash flow from operating activities:	*2021* £	*2020* £
Net income / (expenditure) for the reporting period (as per the statement of financial activities)	132,928	(256,536)
Depreciation charges	8,109	7,726
Equipment reclassified as expenditure (ie. written off)	1,336	-
(Gains) / losses on investments	(207,481)	85,028
Dividends, interest and rent from investments	(90,289)	(81,982)
Profit on sale of fixed assets	(132,783)	-
Decrease in debtors	14,237	17,186
(Decrease) / increase in creditors	(9,384)	3,487
Net cash provided by (used in) operating activities	(283,327)	(225,091)

Table B - Analysis of cash and cash equivalents:		
Cash in hand	313	318
Cash in hand with Grace Baptist Charities Ltd	354,504	309,055
Total cash and cash equivalents	**354,817**	**309,373**

NOTES TO THE ACCOUNTS
YEAR ENDED 31 DECEMBER 2021

1 ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

(a) **Accounting convention**
The financial statements have been prepared under the Charities Act 2011 and in accordance with the Charities Statement of Recommended Practice (Charities SORP (FRS 102)) and Financial Reporting Standard 102 (FRS 102). The financial statements are drawn up on the historical cost basis of accounting. as modified by the revaluation of investment properties and other investments. The financial statements are prepared in pounds sterling rounded to the nearest pound.

The Association of Grace Baptist Churches (South East) meets the definition of a public benefit entity under FRS 102. It is an unincorporated charitable trust with registered address of 62 Bride Street, London, N7 8AZ

(b) **Going concern**
There are no material uncertainties about the charity's ability to continue its operations for the foreseeable future.

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

Investment income is recognised on an accruals basis.

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

(e) **Fixed assets**
Fixed assets held for charity use are stated at cost. Where freehold and leasehold properties are maintained to such a standard that their estimated residual value is in excess of their net book value at any time and depreciation is immaterial, no depreciation is charged.

(f) **Depreciation**
Where properties are maintained to such a standard that their estimated residual value is in excess of their net book value at any time and depreciation is immaterial, no depreciation is charged.

Depreciation is provided on all other tangible fixed assets at rates calculated to write off the cost or valuation of each asset over its expected useful life as follows:

Fixtures and fittings	-	Between 10% and 20% on cost
Computer equipment	-	Between 10% and 33% on cost

(g) **Investments**
Investments and investment properties are stated at market value. The trustees review the value of investment properties annually and re-value the properties at market value every five years.

Realised and unrealised gains and losses arising on the disposal or revaluation of investments and investment properties are included in the Statement of Financial Activities.

(h) **Debtors**
Loans to churches and other debtors are included at the settlement amount due. Prepayments are valued at the amount prepaid.

(i) **Cash deposited with Grace Baptist Charities Ltd**
Cash deposited with Grace Baptist Charities Ltd is a short term highly liquid investment with a short maturity of three months or less from the date of opening of the deposit.

NOTES TO THE ACCOUNTS
YEAR ENDED 31 DECEMBER 2021
(Continued)

(j) **Creditors**

Creditors and provisions are recognised where the charity has a present obligation arising from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are recognised at their settlement amount.

(k) **Pensions**

The charity operates a defined contribution pension scheme. Contributions payable are charged in the Statement of Financial Activities.

2 INCOME FROM DONATIONS & LEGACIES	2021 Unrestricted £	2021 Restricted £	2021 Total £	2020 Total £
Donations from churches	34,564	19,326	53,890	46,609
Other donations	1,660	17,368	19,028	21,957
Grant from Grace Baptist Charities Ltd	58,378	-	58,378	47,191
Other grants received	50,000	88,518	138,518	87,380
JRS Grant - Furlough	-	5,520	5,520	9,458
	144,602	130,732	275,334	212,595

3 INCOME FROM CHARITABLE ACTIVITIES				
Rent received from tangible assets	23,237	-	23,237	35,156
Income from other charitable activities	1,617	2,072	3,689	14,666
	24,854	2,072	26,926	49,822

4 INCOME FROM INVESTMENTS	2021 Unrestricted £	2021 Restricted £	2021 Total £	2020 Total £
Investments listed on recognised stock exchange	80,142	2,446	82,588	71,054
Investments properties - regular income	125	12,600	12,725	19,331
Deposit interest	9,719	1,642	11,361	5,241
	89,986	16,688	106,674	95,626

5 EXPENDITURE ON RAISING FUNDS	2021 Unrestricted £	2021 Restricted £	2021 Total £	2020 Total £
Investment property expenditure	2,547	551	3,098	(1,994)
Investment management	12,013	661	12,674	11,666
	14,560	1,212	15,772	9,672

NOTES TO THE ACCOUNTS
YEAR ENDED 31 DECEMBER 2021
(Continued)

6 EXPENDITURE ON CHARITABLE EXPENSES

	Note	2021 Unrestricted £	2021 Restricted £	2021 Total £	2020 Total £
Staff Costs	7	191,384	77,128	268,512	257,854
Property expenditure		65,109	27,154	92,263	81,089
Grants payable	9				
Churches and institutions		28,167	112,197	140,364	84,614
Individuals		39,169	11,410	50,579	60,871
Home Mission costs exc. Personnel		-	2,303	2,303	802
Office and stationery costs		21,245	2,360	23,605	14,297
Photocopier costs including rentals		2,363	-	2,363	2,173
Depreciation		9,445	-	9,445	7,726
Website & publications		-	-	-	50
Management charge		-	20	20	20
Trustee's indemnity insurance		863	-	863	863
Bank charges & interest		290	27	317	296
		358,035	232,599	590,634	510,655
Governance costs:					
Legal and professional fees		-	-	-	1,857
Auditors' fees	10	4,592	-	4,592	4,472
Costs of meetings		5,272	-	5,272	2,895
		9,864	-	9,864	9,224
Total Expenditure on charitable activities		367,899	232,599	600,498	519,879

7 STAFF COSTS

Total staff emoluments for the year were as follows:	2021 £	2020 £
Salary Costs	222,777	217,000
National Insurance costs	17,159	16,138
Employer's pension contributions	17,208	16,061
Benefits in kind - season tickets	1,520	3,107
Other staff travel etc.	8,197	4,020
Staff training & conferences	1,650	1,528
	268,511	257,854

There were no pension contributions outstanding at year end. (2020 :nil). No employee received remuneration amounting to more than £60,000 in the current year or previous year. Included in salary costs above is a termination payment of £12,528 in lieu of notice.

The average number of staff by head count and full-time equivalent during the year was:

	2021 Head Count Ave. No	2021 Fte Ave. No	2020 Head Count Ave. No	2020 Fte Ave. No
Association office staff	7.0	4.2	7.0	3.9
Home Mission staff	3.0	1.4	3.0	2.4
Total staff	10.0	5.5	10.0	6.3

NOTES TO THE ACCOUNTS
YEAR ENDED 31 DECEMBER 2021
(Continued)

8 KEY MANAGEMENT PERSONNEL

The key management personnel for the Association are Association Secretary: Director of Home Mission: Company Secretary and Finance Officer. The total employee benefits received by these personnel were:

	2021	2020
	£	£
Salary costs	137,332	135,311
National Insurance costs	15,014	14,076
Employer's pension contribution	10,726	11,617
Benefits in kind	150	883
	163,223	161,887

9 GRANTS PAYABLE

Grants payable to churches and institutions:	2021 Unrestricted £	2021 Restricted £	2021 Total £	2020 Total £
Affinity	5,254	-	5,254	5,254
Hayes Lane Baptist Church, Bromley	-	11,152	11,152	4,862
St. John's Wood Road Baptist Church	-	56,978	56,978	49,773
Gadebridge Baptist Church	-	-	-	5,000
Grace Baptist Mission	-	-	-	400
Grace Baptist Church, Stratford	-	-	-	1,920
Grace Church, Walthamstow (Churches Aid Fund)	5,000	-	5,000	495
Kent Gospel Partnership	-	-	-	200
Rehoboth Baptist Church, Horsham (Training)	5,785	-	5,785	4,225
Prettygate Baptist Church, Colchester (Training)	2,850	-	2,850	3,235
Prettygate Baptist Church, Colchester (Churches Aid Fund)	5,000	-	5,000	-
Kings Road Baptist Church, Chingford (Churches Aid Fund)	4,000	-	4,000	-
Small Training Grants (Churches Aid Fund)	-	-	-	1,250
Grace Baptist Church, Bexleyheath	-	-	-	2,500
Grace Baptist Church, Ebbsfleet	247	44,068	44,314	-
Monnow Road Baptist Church, Bermondsey	-	-	-	3,000
The Village Church, Greenwich	-	-	-	2,500
	28,136	112,197	140,333	84,614

All grants to churches and institutions are either approved by the trustees or are reported to the trustees, if being made in accordance with the terms of a restricted fund. The Grants are made for the purposes of supporting member churches with building repairs or specific projects.

Grants payable to individuals:	2021	2020
	£	£
Training Fund - unrestricted (4 grants)	38,699	45,591
Churches Aid Fund - unrestricted (2 grants)	470	650
Benevolent Fund - restricted (5 grants)	2,275	5,675
Pastors' Retiring & Widows' Fund - restricted (9 beneficiaries)	9,135	8,955
	50,579	60,871

All grants to individuals are approved by the trustees with the exception of grants from the Benevolent Fund which, for reasons of confidentiality, are proposed by the Association Secretary, authorised by the Honorary Treasurer and paid by the Finance Officer

NOTES TO THE ACCOUNTS
YEAR ENDED 31 DECEMBER 2021
(Continued)

10 AUDIT, INDEPENDENT EXAMINATION AND OTHER FINANCIAL SERVICES FEES

The company's auditors made the following charges:	2021	2020
	£	£
Fee for audit of accounts	4,560	4,440
Fee for other services	32	32
	4,592	4,472

11 TANGIBLE ASSETS

Held in futherance of the charity's objects:

	Freehold property £	Leasehold property £	Fixtures, fittings and equipment £	Total £
Market Value / Cost				
At 1st January 2021	2,538,428	315,600	41,211	2,895,239
Disposals	(381,935)	-	(6,277)	(388,212)
Additions	1,427,212	-	1,800	1,429,012
At 31st December 2021	3,583,705	315,600	36,734	3,936,039
Depreciation				
At 1st January 2021	-	-	19,068	19,068
Disposals	-	-	(4,941)	(4,941)
Additions	-	-	8,110	8,110
At 31st December 2021	-	-	22,237	22,237
Net book value				
At 31st December 2021	3,583,705	315,600	14,497	3,913,802
At 31st December 2020	2,538,428	315,600	22,143	2,876,171

12 INVESTMENTS

	2021 Investment properties £	2021 Quoted investments £	2021 Total £
Market value at 1st January 2021	1,507,732	2,449,239	3,956,971
Additions	-	501,984	501,984
Disposals	(1,150,000)	(459,171)	(1,609,171)
Unrealised (losses) / gains	-	161,894	161,894
Market value at 31st December 2021	357,732	2,653,946	3,011,678
At Cost			
As at 31st December 2021	169,500	394,285	563,785
As at 31st December 2020	482,125	394,285	876,410

The trustees obtained professional valuations for all the investment properties in December 2021.

NOTES TO THE ACCOUNTS
YEAR ENDED 31 DECEMBER 2021
(Continued)

13 LOANS

Loans (to 1 Churches)	2,660	13,200

Loans are interest free and repayable within ten years. Included within loans is approximately £1,330 repayable after more than one year.

14 DEBTORS

	2021 £	*2020* £
Other Debtors	16,513	21,878
Prepayments	1,824	156
	18,337	22,034

15 CREDITORS

	2021 £	*2020* £
Other creditors	48,190	57,572
	48,190	57,572

16 UNRESTRICTED FUNDS

	Income 2021 £	Expenditure 2021 £	Transfers 2021 £	Other Gains / (Losses) £	Brought forward 1/1/2021 £	Carried forward 31/12/2021 £
General Fund	341,740	(320,655)	(25,000)	201,598	5,959,302	6,156,985
Churches Aid Fund	485	(14,470)	25,000	-	88,301	99,316
Training Fund	50,000	(47,334)	-	-	153	2,819
Walthamstow Manse	-	-	-	-	461,000	461,000
	392,225	(382,459)	-	201,598	6,508,756	6,720,120

Figures for previous year for comparison

2020	Income 2020 £	Expenditure 2020 £	Transfers 2020 £	Other Gains / (Losses) £	Brought forward 1/1/2020 £	Carried forward 31/12/2020 £
General Fund	199,401	(267,898)	-	(104,470)	6,132,269	5,959,302
Churches Aid Fund	-	(11,820)	-	-	100,121	88,301
Training Fund	-	(53,051)	-	-	53,204	153
Walthamstow Manse	2	(771)	-	-	461,769	461,000
	199,403	(333,540)	-	(104,470)	6,747,363	6,508,756

Churches Aid Fund

This designated fund was established in 1979 to set aside funds at the discretion of the trustees for the purpose of making grants and loans to Churches within the Association. The fund was increased in 2015. The surplus Funds from the Loan Fund were transferred into the Churches Aid Fund in 2019. This Fund was further increased by a grant of £25,000 in 2021.

Training Fund

This designated fund was established in 2015 to set aside funds at the discretion of the trustees for the purpose of making grants to Churches and trainees to support people in training for ministry. An additional £50,000 was granted to the Fund from Trust Funds managed by Grace Baptist Charities Ltd in 2019.

Walthamstow Manse

This designated fund was established in 2015 as a result of the closure of Church Hill Baptist Church, Walthamstow. Under the 1944 conveyance and declaration of trust, the Association stands possessed of the Church manse. A project to re-plant a Church is in progress.

NOTES TO THE ACCOUNTS
YEAR ENDED 31 DECEMBER 2021
(Continued)

17 RESTRICTED FUNDS	Income 2021	Expenditure 2021	Transfers 2021	Other Gains / (Losses)	Brought forward 1/1/2021	Carried forward 31/12/2021
	£	£	£	£	£	£
Hawthorne Family	680	(56,998)	-	-	89,761	33,443
Home Mission	52,340	(52,340)	-	-	-	-
Gateway Fund	34,512	(69,529)	-	-	35,017	-
Brighton Fund	45,997	(42,295)	-	-		3,702
Benevolent Fund	753	(2,275)	-	-	44,939	43,417
Loan Fund	117	-	-	-	16,802	16,919
Pastors' Retiring and Widows' Fund	2,485	(9,481)	-	5,883	74,807	73,694
Sinclair Fund	12,608	(893)	-	-	350,094	361,809
	149,492	(233,811)	-	5,883	611,420	532,984

Figures for previous year for comparison

2020	Income 2020	Expenditure 2020	Transfers 2020	Other Gains / (Losses)	Brought forward 1/1/2020	Carried forward 31/12/2020
	£	£	£	£	£	£
Hawthorne Family	1,760	(49,793)	-	-	137,794	89,761
Home Mission	82,981	(82,981)	-	-	-	-
Gateway Fund	56,888	(42,283)	-	-	20,412	35,017
Benevolent Fund	2,214	(5,675)	-	-	48,400	44,939
Loan Fund	17	-	-	-	16,785	16,802
Pastors' Retiring and Widows' Fund	2,180	(9,296)	-	(1,726)	83,649	74,807
Sinclair Fund	12,600	(5,983)	-	21,168	322,309	350,094
	158,640	(196,011)	-	19,442	629,349	611,420

Hawthorn Family Charitable Fund
This fund is governed by a Deed dated 16th February 1999. Grants are to be made to nominated benefiting Churches. The fund was established by a donation, including tax benefit, of £70,000.

Home Mission

This fund exists to promote evangelism in the Association Churches through education, training, advice, full-time and short-term workers and projects. The majority of the funding is through donations from Churches and grant income.

Gateway Fund
This is a special Home Mission Fund to promote evangelism through a new church plant for the planned new Gateway community in Ebbsfleet, Kent. This Fund was closed in the year and the money granted to the newly constituted church Grace Church, Ebbsfleet.

Brighton Fund
This is a Fund set up to promote evangelism through a new church plant based in Brighton.

Benevolent Fund

This fund has no governing instrument. Grants are made to Christians in needy circumstances.

Loan Fund

Declaration of Trust dated 27th October 1891 governed this fund. Interest free loans were made to Churches for purchase, extension and maintenance of Chapels, Manses and other Church premises. At the end of 2019, the Loan Fund was closed to new applicants as bureaucratic complications made it difficult to continue to make interest free loans. It was decided that the money would be made available to the churches by way of grants rather than loans in the future and therefore the remaining free Funds were transferred to the Churches Aid Fund.

Pastors' Retiring and Widows' Fund
Declaration of Trust dated 2nd November 1900 governs this fund. Grants are made to retired pastors, and their widows, who have previously contributed to the fund and are without adequate means of support. The fund is closed to new members.

Sinclair Fund
This fund was established by a will dated 11 September 2001. The church at Gadebridge, Hemel Hempstead, has first call on any fund arising from the legacy.

NOTES TO THE ACCOUNTS
YEAR ENDED 31 DECEMBER 2021
(Continued)

18 ANALYSIS OF NET ASSETS

Current year	*2021 Investments* £	*2021 Tangible assets*	*2021 Net current assets* £	*2021 Total* £
Unrestricted Funds	2,594,527	3,913,802	211,791	6,720,120
Restricted Funds	417,151	-	115,833	532,984
	3,011,678	3,913,802	327,624	7,253,104

Figures for previous year for comparison	*2020 Investments* £	*2020 Tangible assets*	*2020 Net current assets* £	*2020 Total* £
Unrestricted Funds	3,640,928	2,880,500	225,935	6,747,363
Restricted Funds	412,500	-	216,849	629,349
	4,053,428	2,880,500	442,784	7,376,712

19 COMMITMENTS

The Association has commitments to make payments, in respect of land and buildings and office equipment, in the following years as follows:

	2021 £	*2020* £
Within 1 Year	1,836	1,836
Between 2 and 5 years	4,132	5,968
	5,968	7,804

20 TRUSTEES' REMUNERATION

No remuneration or benefits were paid to any of the trustees during the year for their services as trustees. Also, there were no trustees' costs paid direct to third parties.

21 TRUSTEES' EXPENSES

	2021 £	*2020* £
Expenses incurred by trustees and reimbursed, amounted to:	260	266

4 trustees made a total of 7 expenses claims for the cost of travel to meetings and other events.

22 RELATED PARTIES

The following trustees are also directors of Grace Baptist Charities Limited and, as such, have an interest in transactions carried out on behalf of trusts and churches administered by the company and the charity: A A Ottley, C J Clarkson (Treasurer), A Creedy, J G Miller, D J Mortimer, Miss M O' Mara, A King and P M Woodley. Details of the transactions and balances are disclosed in the notes to the accounts.

The following related party transactions occurred in the year:

- A Training grant of £10,000 was paid to Adrian Creedy's Son in Law, Joseph Percy, to enable him to train for the ministry.
- During the year, Caleb Gardner and Vicky Green were employed by the Association to assist with archiving. They received £490 and £297 respectively. Caleb is the son of Abigail Gardner, Finance Officer and Vicky is the daughter of Jeff Green (Company Secretary).

Grace Baptist Association

England & Wales - Charity number 276352

Accounts

ASSOCIATION OF
GRACE BAPTIST CHURCHES
(SOUTH EAST)

FINANCIAL STATEMENTS

FOR THE
YEAR ENDED 31 DECEMBER 2020

Charity number: 276352

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

The trustees have pleasure in submitting their report and the audited financial statements for the Association for the year ended 31st December 2020. They have been prepared in the format prescribed by the Statement of Recommended Practice (FRS102) 'Accounting and Reporting by Charities' issued by the Charity Commissioners.

Objectives and Activities

Objectives

The objects of the Association are to:

1 uphold and promote the Doctrinal Basis
2 promote the unity and prosperity of its Members
3 assist the Members in their charitable purposes as recognised in English law
4 devise and employ means for the furtherance of the gospel, primarily in the Geographical Area.

Policies

The trustees seek to achieve the objects of the Association by encouraging fellowship between churches in prayer, evangelism and practical concern through an Annual Meeting and regular District meetings and activities; supporting member churches in initiating the planting and re-planting of churches in spiritually needy areas; providing help with evangelism through appointed staff, seminars etc; production of a prayer bulletin and other e-mail circulars. The trustees also seek to ensure member churches continue to function effectively by keeping them informed regarding legislation and practical matters relating to property, finance, taxation, insurance etc.

The trustees confirm that they have had due regard to the guidance issued by the Charity Commission on public benefit when planning their activities for the year.

Grant-making Policies

The charity invites applications for funding from Churches who are affiliated to the Association of Grace Baptist Churches (South East). The applications are reviewed against specific criteria and objectives, which are set by the Committee. All funded projects are monitored and reviewed on an annual basis.

The charity may also make small grants to individual church members and pastors from Churches who are affiliated to the Association of Grace Baptist Churches (South East).

Achievements and Performance

The Association fulfilled its objectives throughout the year.

The Association had 66 member Churches at the end of 2020. There is a wide range of activities within these Churches including weekly public worship services, Sunday schools, prayer meetings, children's and young people's groups, clubs for the elderly and outreach events reaching many diverse communities.

The Association has adapted to the Covid-19 pandemic by increased home working whilst helping Association churches to stay up to date on legislation and supporting churches helping each other despite the restrictions. Whilst many of the churches usual activities have had to been suspended, there has been an increased on-line presence with many churches hosting on-line services, training and youth events.

Both the Association Secretary and Director of Home Mission preached at Churches or events during the year, though fewer than previous years due to the restrictions in place. Help and advice was given on a variety of church issues including governance, pastoral practice and evangelism. Unfortunately the weekend 'Saved2Serve' conference for young people interested in Christian service had to be cancelled due to the lockdown. However, a treasurer training course did go ahead in January 2020 and the Association AGM was hosted on-line for the first time ever.

The Association continued to be involved in supporting ongoing church planting projects and helping churches plant other churches, including the Gateway project for West Gravesend and the proposed new garden city of Ebbsfleet. Three further church plants are underway with in the Association family of churches including Hazlemere, Brighton and Didcot. We are also involved in supporting the replanting of Churches winthin the Association which had closed. There are currently two such replants in Greenwich and Walthamstow.

The Association also fostered practical help and support between Churches at local level by encouraging activities in the five geographical districts within the Association. This is reflected in ongoing district prayer meetings, leadership fraternals, joint events and general inter-church fellowship, though most of this had to be on-line for most of 2020.

The churches gathered on-line at our AGM in October 2020 and we were pleased to welcome several pastors who had been appointed to Churches during the previous year. Two new Committee members were appointed.

Financial help was given to Churches and individuals in the form of grants (benevolent) including a special Covid-19 grant to help those struggling in the current crisis.

Financial Review and Future plans

The total funds of the charity decreased to £7,120,176 during 2020, an decrease of 3.5%. This included unrealised gains of £7,960 on the revaluation of investments.

The movement on funds before taking into account all losses on investments was a deficit of £171,508. The deficit on the General Fund was £134,137. This ended up being a lower deficit to that originally budgeted despite the pandemic due to savings made on staff costs and reduced property maintenance. The impact of the Covid-19 pandemic meant investment income was down but that was offset by savings due to home working and zoom meetings

Income

Total income in 2020 decreased by 25.9%. This was split between a decrease of £100,773 in unrestricted funds' income and an decrease of £24,691 in restricted funds' income. This was due to reduced investment income and income provided from charitable activities and a one-off grant of £50,000 in 2019

Expenditure

Total expenditure decreased by £8,822.This was split between a decrease of £40,568 in unrestricted funds' expenditure and an increase of £31,746 in restricted funds' expenditure. This was due to reduced expenditure on staff and activities offset by a larger grant from the Hawthorn Fund in 2019

Financial Review

A comprehensive financial review takes place each November and policies and budgets for the year ahead are established and refined. Through the year, the budget is compared with actual performance at the Committee meetings following the end of each quarter. This informs the budget for the new calendar year.

Investment powers

The trustees have power to invest, subject to the Trustee Act 2000, and seek to avoid investments which are inconsistent with evangelical ethical standards.

Investment policy

The Investment Policy was reviewed in 2018 with the help of an independent financial adviser and is regularly discussed with the Investment managers to ensure it remains up to date.

Reserves policy
It is the policy of the charity to maintain unrestricted funds, which are free reserves of the charity, at a level that equates to approximately six months' unrestricted expenditure. This provides sufficient funds to cover support costs, management and administration and to respond to emergency applications for grants that may arise from time to time.

Fundraising

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

Structure, Governance and Management
The Association was constituted on 10th March 1871. The Association is registered as a charity under reference number 276352.

The Committee
The following extracts are taken from the Constitution and Rules of the Association:

7.1 The Committee are charity trustees of the Association and its property and funds.

7.2 The Committee when complete consists of

7.2.1 twenty elected members elected in accordance with this clause or such other policies and procedures as may be adopted from time to time.

7.2.2 the District Representatives

7.2.3 the Treasurer

7.3 Up to 3 persons, who shall not be trustees or have any voting rights, may be co-opted by and to the committee for the period up to the next AGM.

7.4 Election to Committee membership is open to any individual who is a member of a Member church and approved for election by that Member church. Notwithstanding clause 7.1, an employee of the Association may be a member of the Committee with the prior written consent of the Charity Commission.

7.5 The election of Committee members is by secret ballot.

7.6 No person shall be an elected member unless the number of votes he or she receives equals or exceeds the number which is one third of the Messengers (from Member churches) present at the relevant AGM.

7.7 Subject to clause 7.9 the election or appointment of each Committee member (except co-optees) shall be for a term of three years. Committee members shall (if otherwise qualified) be eligible for re-election or re-appointment as from the end of such term.

7.8 Every Committee member must sign a declaration of willingness to act as a charity trustee of the Association before he or she is eligible to vote at any meeting of the Committee.

7.13 The membership of the Committee shall so far as possible (and consistent with the above provisions) be balanced equally between individuals in full time pastoral or other Christian ministry and individuals from other backgrounds, especially those with experience of property, financial, legal and administrative matters, that is to say individuals who are or have been engaged in a profession, business or trade.

Connected Charities

The Association is connected to **Grace Baptist Charities Limited**. This charity holds funds on deposit for the Association.

Risk management
The trustees have assessed the principal risks to which the charity is exposed, in particular those related to the operations and finance of the charity and are satisfied that systems are in place to mitigate its exposure to the major risks. A risk register is maintained and reviewed.

Key risks and the steps taken to mitigate these include liquidity (properties and investments can be sold to provide greater liquidity); loss of data and systems (mitigated by contracting with external supplier of I.T. support and off-site backups); and loss of key personnel (processes documented).

REPORT OF THE TRUSTEES FOR THE
YEAR ENDED 31 DECEMBER 2020
(continued)

Induction and training of trustees

An induction letter is sent to new trustees which refers to their key role and liability and lists responsibilities which trustees are charged with fulfilling. Enclosed with the letter is the publication by the Charity Commission entitled "The Essential Trustee: What you need to know". The letter has been updated to indicate that trustees will be informed about training opportunities from time to time. The charity's fund managers, Investec, run a series of training seminars each year.

Arrangements for setting pay and remuneration of key management personnel

The Association's pay policy confirms the arrangements for setting levels of remuneration:

- All employees' salaries are reviewed annually as at 1st January of each year.
- The Executive Committee sets the rate of annual increase to be applied for all employees as part of the Financial Review in November. This is reported to the Main Committee.
- Any other changes to salaries or terms and conditions are agreed by the Executive Committee and reported to the Main Committee.

Responsibility of duties and delegation.

The following extracts are taken from the Constitution and Rules of the Association:

Powers of the Committee:

10.1 to appoint a Treasurer subject to approval by the Member churches in general meeting and other honorary officers.
10.2 to delegate any of their functions to sub-committees consisting of three or more persons appointed by them.
10.3 to elect an Executive with the composition, function and delegated powers set out in clauses 11 and 12.2.
10.4 to make Standing Orders consistent with this Constitution to govern proceedings at General Meetings.
10.5 to make Rules consistent with this Constitution about the Committee and sub-committees.
10.6 to make Regulations consistent with this Constitution about the running of the Association .

Powers of the Executive:

11.1 The Executive when complete shall consist of the Chairman, the Treasurer, and six other Committee members elected by the Committee by secret ballot.
11.2 Membership of the Executive shall
11.2.1 take effect from the date of the first committee meeting of the calendar year.
11.2.2 be for a period of three years at the end of which members of the Executive shall be eligible for re-election.
11.3 Each member of the Executive shall unless disqualified by law serve as a director of the Company (Grace Baptist
11.4 The Executive shall formulate, review, and prepare recommendations as to, matters for discussion or decision at meetings of the Committee or at general meetings.
11.5 The Executive shall be available for consultation on matters within the Association Secretary's or the Finance Officer's remit and shall have the power to take decisions in matters touching the Association or Member churches on behalf of the Association Secretary or the Committee in cases of emergency where in the reasonable judgment of the Executive the matter cannot await a regular or special Committee meeting.

Responsibility of duties and delegation continued

Powers delegated to staff:

12.1 Subject to clause 12.3 the Committee shall appoint such employees as are necessary for the satisfactory running of the Association and of the Company including
12.1.1 the following Officers
12.1.1.1 an Association Secretary who shall be responsible for the day-to-day running of the Association.
12.1.1.2 a Finance Officer who shall be responsible for the financial affairs of the Association and of the Company.
12.1.2 an employee who shall serve as Company Secretary of the Company
and each of whom shall be accountable to the Committee for the discharge of these responsibilities.
12.2 The Association Secretary, Finance Officer and Company Secretary shall be required, unless indisposed, to attend Committee meetings and Executive meetings.
12.3 The power to fix employees' terms of employment (including salary and job description) shall be delegated and reserved to the Executive.

REPORT OF THE TRUSTEES FOR THE
YEAR ENDED 31 DECEMBER 2020
(continued)

Reference and Administrative Details

Trustees during the year were:

A A Ottley (Chairman)	R B King	J Southcombe
B Bowen (Resigned Dec 2020)	R Lindie	P Smith (Appointed Oct 2020)
C J Clarkson (Treasurer)	S J Lloyd	A J Wigham
A Creedy	J G Miller	D Wilcox
P Fuggle	D J Mortimer	P M Woodley
A Hannan (Passed away into Glory - April 2021);	Miss M O' Mara	Mrs S Worsley (resigned July 2020)
B O J Jones	J Sayers (Appointed Oct 2020)	

Key management personnel during the year were:

Association Secretary	Paul Spear (till Jul 2020)/ Andrew King (from Sept 2020)
Company Secretary of Grace Baptist Charities Ltd	J Green
Director of Home Mission	Nigel Hoad
Finance Officer	A M Gardner

The registered office is at 7 Arlington Way, London, EC1R 1XA

The principal advisers of the company are as follows:

Registered Auditors:	Jacob Cavenagh & Skeet, 5 Robin Hood Lane, Sutton, Surrey SM1 2SW
Bankers	CAF Bank Limited, 25 Kingshill Avenue, Kingshill, West Malling, Kent ME19 4JQ
Investment advisers	Investec Wealth and Investment Ltd, 2 Gresham Street, London EC2 7QP
Principal Solicitors	Carter, Lemon Camerons LLP, 10 Aldersgate Street, London, EC1A 4HJ Edward Connor Solicitors, 10 The Point, Market Harborough, LE16 7QU

Trustees Responsibilities

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

Law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the charity's financial activities in the year and of its financial position at the end of the year. In preparing financial statements giving a true and fair view, the Trustees are required to:

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

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

FOR AND ON BEHALF OF THE TRUSTEES

C. J Clarkson
Trustee

7 Arlington Way, London, EC1R 1XA

5th July 2021

REPORT OF THE INDEPENDENT AUDITOR
TO THE TRUSTEES OF
ASSOCIATION OF GRACE BAPTIST CHURCHES
(SOUTH EAST)

Opinion
We have audited the financial statements of the Association of Grace Baptist Churches (South East) (the "Charity") for the year ended 31 December 2020 which comprise the Statement of Financial Activities, Balance Sheet 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 UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 December 2020 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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern
In auditing the financial statements, we have concluded that the 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 Charity's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

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

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the Charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

REPORT OF THE INDEPENDENT AUDITOR
TO THE TRUSTEES OF
ASSOCIATION OF GRACE BAPTIST CHURCHES (SOUTH EAST)
(continued)

Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement, 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 they 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 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

We determined that the principal risks were related to management bias in accounting estimates including valuation of investment property and management override of controls.

In response to the risks identified we designed procedures which included, but were not limited to challenging significant accounting estimates and evaluating the company's internal controls.

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

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

Use of our report

This report is made solely to the 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.

Jacob, Cavenagh & Skeet

Jacob Cavenagh & Skeet,
Statutory Auditor
Chartered Accountants
30 July 2021

5 Robin Hood Lane,
Sutton,
Surrey
SM1 2SW

Jacob Cavenagh & Skeet is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)
YEAR ENDED 31 DECEMBER 2020

	Note	Unrestricted Funds £	Restricted Funds £	*2020* Total Funds £	*2019** Total Funds £
Income from:					
Donations and legacies	2	73,813	138,782	212,595	284,274
Charitiable activities	3	47,504	2,318	49,822	57,739
Investments	4	78,086	17,540	95,626	141,494
		199,403	**158,640**	**358,043**	**483,507**
Expenditure on:					
Raising funds	5	8,484	1,188	9,672	29,758
Charitable activities	6	325,056	194,823	519,879	508,615
Total expenditure		**333,540**	**196,011**	**529,551**	**538,373**
Operating (deficit)		**(134,137)**	**(37,371)**	**(171,508)**	**(54,866)**
Net (losses) / gains on investments					
Realised (losses) on investments		(91,536)	(1,452)	(92,988)	(33)
Unrealised gains on investments	12	(12,934)	20,894	7,960	353,264
Total net (losses) / gains on investments		**(104,470)**	**19,442**	**(85,028)**	**353,231**
Net (expenditure) / income		**(238,607)**	**(17,929)**	**(256,536)**	**298,365**
Transfers between funds		-	-	-	-
Net movement in funds		**(238,607)**	**(17,929)**	**(256,536)**	**298,365**
Reconciliation of funds:					
Funds brought forward		6,747,363	629,349	7,376,712	7,078,347
Funds carried forward	15 & 16	**6,508,756**	**611,420**	**7,120,176**	**7,376,712**

No activities were acquired or discontinued during the year.

* For analysis of unrestricted and restricted financial activities for 2019, see next page.

ASSOCIATION OF GRACE BAPTIST CHURCHES
(SOUTH EAST)

STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED 31 DECEMBER 2020

**Analysis of financial activities for previous year :*	2019		
	Unrestricted Funds £	*Restricted Funds* £	*2019 Total funds* £
Income and endowments from:			
Donations and legacies	126,169	158,105	284,274
Charitable activities	52,603	5,136	57,739
Investments	121,404	20,090	141,494
Total income and endowments	**300,176**	**183,331**	**483,507**
Expenditure on:			
Raising funds	28,561	1,197	29,758
Charitable activities	345,547	163,068	508,615
Total expenditure	**374,108**	**164,265**	**538,373**
Operating (deficit) / surplus	**(73,932)**	**19,066**	**(54,866)**
Net gains / (losses) on investments:			
Realised (losses) / gains on investments	(37)	4	(33)
Unrealised gains on investments	348,283	4,981	353,264
Total net gains on investments	**348,246**	**4,985**	**353,231**
Net income	**274,314**	**24,051**	**298,365**
Transfers between funds	**87,597**	**(87,597)**	
Reconciliation of funds:			
Funds brought forward	6,385,452	692,895	7,078,347
Funds carried forward	**6,747,363**	**629,349**	**7,376,712**

BALANCE SHEET
AT 31ST DECEMBER 2020

	Note	£	2020 £	£	2019 £
Fixed assets					
Tangible assets	11		2,876,171		2,880,500
Investments	12		3,956,970		4,053,428
			6,833,141		6,933,928
Current assets					
Loans	13	13,200		16,785	
Debtors	14	22,034		35,635	
Cash deposited with Grace Baptist Charities Ltd		309,055		438,018	
Cash in hand		318		364	
Total Current assets		344,607		490,802	
Liabilities					
Creditors: Amounts falling due within one year:					
Other creditors		57,572		48,018	
Net current assets			287,035		442,784
Total net assets	17		7,120,176		7,376,712
The funds of the charity:					
Unrestricted funds	15		5,808,756		6,007,363
Revaluation Reserve (unrestricted)			700,000		740,000
Total Unrestricted Funds			6,508,756		6,747,363
Restricted funds	16		423,188		462,285
Revaluation reserve (restricted)			188,232		167,064
Total restricted funds			611,420		629,349
Total funds	17		7,120,176		7,376,712

These financial statements were approved by the trustees on 5th July 2021 and signed on their behalf by:

C. J Clarkson
Trustee

STATEMENT OF CASH FLOWS
YEAR ENDED 31 DECEMBER 2020

Statement of cash flows:	**Table**	***2020 Total Funds*** **£**	***2019 Total Funds*** **£**
Cash flows from operating activities:			
Net cash provided by (used in) operating activities	A	(225,091)	(142,935)
Cash flows from investing activities:			
Dividends, interest and rent from investments		81,982	116,275
Purchase of property and equipment		(3,397)	(26,237)
Proceeds from sale of other investments		6,066	200,000
Proceeds from sale of investments		336,437	197,277
Purchase of investments		(325,006)	(188,920)
Net cash provided by (used in) investing activities		96,082	298,395
Change in cash and cash equivalents in the reporting period		**(129,009)**	**155,460**
Cash and cash equivalents at the beginning of the reporting period		438,382	282,922
Cash and cash equivalents at the end of the reporting period	B	**309,373**	**438,382**

Table A - Reconciliation of net income / (expenditure) to net cash flow from operating activities:	***2020*** **£**	***2019*** **£**
Net (expenditure) / income for the reporting period (as per the statement of financial activities)	(256,536)	298,365
Depreciation charges	7,726	3,032
Equipment reclassified as expenditure	-	161
(Gains) / losses on investments	85,028	(353,231)
Dividends, interest and rent from investments	(81,982)	(116,275)
(Increase) / decrease in debtors	17,186	4,871
Increase / (decrease) in creditors	3,487	20,142
Net cash provided by (used in) operating activities	(225,091)	(142,935)

Table B - Analysis of cash and cash equivalents:		
Cash in hand	318	364
Cash in hand with Grace Baptist Charities Ltd	309,055	438,018
Total cash and cash equivalents	**309,373**	**438,382**

NOTES TO THE ACCOUNTS
YEAR ENDED 31 DECEMBER 2020

1 ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

(a) **Accounting convention**
The financial statements have been prepared under the Charities Act 2011 and in accordance with the Charities Statement of Recommended Practice (Charities SORP (FRS 102)) and Financial Reporting Standard 102 (FRS 102). The financial statements are drawn up on the historical cost basis of accounting, as modified by the revaluation of investment properties and other investments. The financial statements are prepared in pounds sterling rounded to the nearest pound.

The Association of Grace Baptist Churches (South East) meets the definition of a public benefit entity under FRS 102. It is an unincorporated charitable trust with registered address of 7 Arlington Way, London, EC1R 1XA.

(b) **Going concern**
There are no material uncertainties about the charity's ability to continue its operations for the foreseeable future.

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

Investment income is recognised on an accruals basis.

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

(e) **Fixed assets**
Fixed assets held for charity use are stated at cost. Where freehold properties are maintained to such a standard that their estimated residual value is in excess of their net book value at any time and depreciation is immaterial, no depreciation is charged.

(f) **Depreciation**
Where properties are maintained to such a standard that their estimated residual value is in excess of their net book value at any time and depreciation is immaterial, no depreciation is charged.

Depreciation is provided on all other tangible fixed assets at rates calculated to write off the cost or valuation of each asset over its expected useful life as follows:

Fixtures and fittings	-	Between 10% and 20% on cost
Computer equipment	-	Between 10% and 33% on cost

(g) **Investments**
Investments and investment properties are stated at market value. The trustees review the value of investment properties annually and re-value the properties at market value every five years.

Realised and unrealised gains and losses arising on the disposal or revaluation of investments and investment properties are included in the Statement of Financial Activities.

(h) **Debtors**
Loans to churches and other debtors are included at the settlement amount due. Prepayments are valued at the amount prepaid.

(i) **Cash deposited with Grace Baptist Charities Ltd**
Cash deposited with Grace Baptist Charities Ltd is a short term highly liquid investment with a short maturity of three months or less from the date of opening of the deposit.

NOTES TO THE ACCOUNTS
YEAR ENDED 31 DECEMBER 2020
(Continued)

(j) **Creditors**

Creditors and provisions are recognised where the charity has a present obligation arising from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are recognised at their settlement amount.

(k) **Pensions**

The charity operates a defined contribution pension scheme. Contributions payable are charged in the Statement of Financial Activities.

2 INCOME FROM DONATIONS & LEGACIES

	2020 Unrestricted £	2020 Restricted £	2020 Total £	2019 Total £
Donations from churches	26,229	20,380	46,609	51,658
Other donations	393	21,564	21,957	23,900
Grant from Grace Baptist Charities Ltd	47,191	-	47,191	46,407
Other grants received	-	87,380	87,380	162,291
JRS Grant - Furlough	-	9,458	9,458	-
Legacies	-	-	-	18
	73,813	138,782	212,595	284,274

3 INCOME FROM CHARITABLE ACTIVITIES

Rent received from tangible assets	35,156	-	35,156	36,317
Income from other charitable activities	12,348	2,318	14,666	21,422
	47,504	2,318	49,822	57,739

4 INCOME FROM INVESTMENTS

	2020 Unrestricted £	2020 Restricted £	2020 Total £	2019 Total £
Investments listed on recognised stock exchange	68,944	2,110	71,054	97,021
Investments properties - regular income	6,731	12,600	19,331	37,528
Deposit interest	2,411	2,830	5,241	6,945
	78,086	17,540	95,626	141,494

5 EXPENDITURE ON RAISING FUNDS

	2020 Unrestricted £	2020 Restricted £	2020 Total £	2019 Total £
Investment property expenditure	(2,526)	532	(1,994)	17,467
Investment management	11,010	656	11,666	12,291
	8,484	1,188	9,672	29,758

NOTES TO THE ACCOUNTS
YEAR ENDED 31 DECEMBER 2020
(Continued)

6 EXPENDITURE ON CHARITABLE EXPENSES

	Note	2020 Unrestricted £	2020 Restricted £	2020 Total £	2019 Total £
Staff Costs	7	166,940	90,914	257,854	263,969
Property expenditure		56,677	24,412	81,089	115,281
Grants payable	9				
Churches and institutions		24,379	60,235	84,614	35,032
Individuals		46,241	14,630	60,871	49,841
Home Mission costs exc. Personnel		-	802	802	13,769
Office and stationery costs		12,445	1,852	14,297	13,649
Photocopier costs including rentals		2,173	-	2,173	2,180
Depreciation		7,726	-	7,726	3,032
Website & publications		50	-	50	431
Management charge		-	20	20	43
Trustee's indemnity insurance		863	-	863	863
Bank charges & interest		110	186	296	469
		317,604	193,051	510,655	498,559
Governance costs:					
Legal and professional fees		1,857	-	1,857	225
Auditors' fees	10	4,472	-	4,472	3,150
Costs of meetings		1,123	1,772	2,895	6,681
		7,452	1,772	9,224	10,056
Total Expenditure on charitable activities		325,056	194,823	519,879	508,615

7 STAFF COSTS

Total staff emoluments for the year were as follows:	2020 £	2019 £
Salary Costs	217,000	225,577
National Insurance costs	16,138	11,120
Employer's pension contributions	16,061	16,111
Benefits in kind - season tickets	3,107	5,435
Other staff travel etc.	4,020	4,533
Staff training & conferences	1,528	1,193
	257,854	263,969

There were no pension contributions outstanding at year end. (2019 :nil). No employee received remuneration amounting to more than £60,000 in the current year or previous year

The average number of staff by head count and full-time equivalent during the year was:

	2020 Head Count Ave. No	2020 Fte Ave. No	2019 Head Count Ave. No	2019 Fte Ave. No
Association office staff	7.0	3.9	8.0	4.6
Home Mission staff	3.0	2.4	3.0	2.4
Total staff	10.0	6.3	11.0	7.0

NOTES TO THE ACCOUNTS
YEAR ENDED 31 DECEMBER 2020
(Continued)

8 KEY MANAGEMENT PERSONNEL

The key management personnel for the Association are Association Secretary: Director of Home Mission; Company Secretary and Finance Officer. The total employee benefits received by these personnel were:

	2020	2019
	£	£
Salary costs	135,311	130,393
National Insurance costs	14,076	13,075
Employer's pension contribution	11,617	12,062
Benefits in kind	883	816
	161,887	156,346

9 GRANTS PAYABLE

Grants payable to churches and institutions:	2020 Unrestricted £	2020 Restricted £	2020 Total £	2019 Total £
Affinity	5,254	-	5,254	5,000
Hayes Lane Baptist Church, Bromley	-	4,862	4,862	14,231
St. John's Wood Road Baptist Church	-	49,773	49,773	4,463
Gadebridge Baptist Church	-	5,000	5,000	-
Grace Baptist Mission	-	400	400	-
Grace Baptist Church, Stratford	1,920	-	1,920	-
Grace Church, Walthamstow	495		495	-
Kent Gospel Partnership	-	200	200	-
Rehoboth Baptist Church, Horsham (Training)	4,225	-	4,225	-
Prettygate Baptist Church, Colchester (Training)	3,235	-	3,235	-
Small Training Grants (Churches Aid Fund)	1,250	-	1,250	838
Grace Baptist Church, Bexleyheath	2,500	-	2,500	6,000
Grace Baptist Church, Tottenham	-	-	-	4,500
Monnow Road Baptist Church, Bermondsey	3,000	-	3,000	-
The Village Church, Greenwich	2,500	-	2,500	-
	24,379	60,235	84,614	35,032

All grants to churches and institutions are either approved by the trustees or are reported to the trustees, if being made in accordance with the terms of a restricted fund. The Grants are made for the purposes of supporting member churches with building repairs or specific projects.

Grants payable to individuals:	2020 £	2019 £
Training Fund - unrestricted (6 grants)	45,591	38,351
Churches Aid Fund - unrestricted (4 grants)	650	250
Benevolent Fund - restricted (6 grants)	5,675	2,690
Pastors' Retiring & Widows' Fund - restricted (9 beneficiaries)	8,955	8,550
	60,871	49,841

All grants to individuals are approved by the trustees with the exception of grants from the Benevolent Fund which, for reasons of confidentiality, are proposed by the Association Secretary, authorised by the Honorary Treasurer and paid by the Finance Officer

NOTES TO THE ACCOUNTS
YEAR ENDED 31 DECEMBER 2020
(Continued)

10 AUDIT, INDEPENDENT EXAMINATION AND OTHER FINANCIAL SERVICES FEES

The company's auditors made the following charges:	2020	2019
	£	£
Fee for audit of accounts	4,440	3,120
Fee for other services	32	30
	4,472	3,150

11 TANGIBLE ASSETS

Held in futherance of the charity's objects:

	Freehold property	Leasehold property	Fixtures, fittings and equipment	Total
	£	£	£	£
Market Value / Cost				
At 1st January 2020	2,538,428	315,600	37,815	2,891,843
Disposals	-	-	-	-
Additions	-	-	3,397	3,397
At 31st December 2020	2,538,428	315,600	41,212	2,895,240
Depreciation				
At 1st January 2020	-	-	11,343	11,343
Disposals	-	-	-	-
Additions	-	-	7,726	7,726
At 31st December 2020	-	-	19,069	19,069
Net book value				
At 31st December 2020	2,538,428	315,600	22,143	2,876,171
At 31st December 2019	2,538,428	315,600	26,472	2,880,500

12 INVESTMENTS

	2020 Investment properties	2020 Quoted investments	2020 Total
	£	£	£
Market value at 1st January 2020	1,526,564	2,526,864	4,053,428
Additions	-	325,006	325,006
Disposals	-	(429,424)	(429,424)
Unrealised (losses) / gains	(18,832)	26,792	7,960
Market value at 31st December 2020	1,507,732	2,449,238	3,956,970
At Cost			
As at 31st December 2020	482,125	394,285	876,410
As at 31st December 2019	482,125	394,285	876,410

The trustees obtained professional valuations for all the investment properties in December 2016. A professional valuation was obtained for one investment property in December 2017, as it is to be marketed for sale due to vacant possession. A further professional valuation was obtained for another investment property in December 2020. All other properties have been indexed in line with local property indexation.

NOTES TO THE ACCOUNTS
YEAR ENDED 31 DECEMBER 2020
(Continued)

13 LOANS

Loans (to 3 Churches)	13,200	16,785

Loans are interest free and repayable within ten years. Included within loans is approximately £9,690 repayable after more than one year.

14 DEBTORS

	2020	*2019*
	£	£
Debtors	21,878	30,590
Prepayments	156	5,045
	22,034	35,635

15 UNRESTRICTED FUNDS

	Income 2020	Expenditure 2020	Transfers 2020	Other Gains / (Losses)	Brought forward 1/1/2020	Carried forward 31/12/2020
	£	£	£	£	£	£
General Fund	199,401	(267,898)	-	(104,470)	6,132,269	5,959,302
Churches Aid Fund	-	(11,820)	-	-	100,121	88,301
Training Fund	-	(53,051)	-	-	53,204	153
Walthamstow Manse	2	(771)	-	-	461,769	461,000
	199,403	(333,540)	-	(104,470)	6,747,363	6,508,756

Figures for previous year for comparison

2019	Income 2019	Expenditure 2019	Transfers 2019	Other Gains / (Losses)	Brought forward 1/1/2019	Carried forward 31/12/2019
	£	£	£	£	£	£
General Fund	250,144	(321,564)	-	348,246	5,855,443	6,132,269
Churches Aid Fund	-	(11,588)	87,597	-	24,112	100,121
Training Fund	50,000	(38,351)	-	-	41,555	53,204
Walthamstow Manse	32	(2,605)	-	-	464,342	461,769
	300,176	(374,108)	87,597	348,246	6,385,452	6,747,363

Churches Aid Fund
This designated fund was established in 1979 to set aside funds at the discretion of the trustees for the purpose of making grants and loans to Churches within the Association. The fund was increased in 2015. The surplus Funds from the Loan Fund were transferred into the Churches Aid Fund in 2019.

Training Fund
This designated fund was established in 2015 to set aside funds at the discretion of the trustees for the purpose of making grants to Churches and trainees to support people in training for ministry. An additional £50,000 was granted to the Fund from Trust Funds managed by Grace Baptist Charities Ltd in 2019.

Walthamstow Manse
This designated fund was established in 2015 as a result of the closure of Church Hill Baptist Church, Walthamstow. Under the 1944 conveyance and declaration of trust. the Association stands possessed of the Church manse. A project to re-plant a Church is in progress.

NOTES TO THE ACCOUNTS
YEAR ENDED 31 DECEMBER 2020
(Continued)

16 RESTRICTED FUNDS	Income 2020 £	Expenditure 2020 £	Transfers 2020 £	Other Gains / (Losses) £	Brought forward 1/1/2020 £	Carried forward 31/12/2020 £
Hawthorne Family	1,760	(49,793)	-	-	137,794	89,761
Home Mission	82,981	(82,981)	-	-	-	-
Gateway Fund	56,888	(42,283)	-	-	20,412	35,017
Benevolent Fund	2,214	(5,675)	-	-	48,400	44,939
Loan Fund	17	-	-	-	16,785	16,802
Pastors' Retiring and Widows' Func	2,180	(9,296)	-	(1,726)	83,649	74,807
Sinclair Fund	12,600	(5,983)	-	21,168	322,309	350,094
	158,640	(196,011)	-	19,442	629,349	611,420

Figures for previous year for comparison

2019	Income 2019 £	Expenditure 2019 £	Transfers 2019 £	Other Gains / (Losses) £	Brought forward 1/1/2019 £	Carried forward 31/12/2019 £
Hawthorne Family	2,161	(4,493)	-	-	140,126	137,794
Home Mission	106,620	(106,620)	-	-	-	-
Gateway Fund	54,886	(40,407)	-	-	5,933	20,412
Benevolent Fund	2,713	(2,690)	-	-	48,377	48,400
Loan Fund	1,302	-	(87,597)	-	103,080	16,785
Pastors' Retiring and Widows' Func	3,049	(8,909)	-	9,728	79,781	83,649
Sinclair Fund	12,600	(1,146)	-	(4,743)	315,598	322,309
	183,331	(164,265)	(87,597)	4,985	692,895	629,349

Hawthorn Family Charitable Fund
This fund is governed by a Deed dated 16th February 1999. Grants are to be made to nominated benefiting Churches. The fund was established by a donation, including tax benefit, of £70,000.

Home Mission

This fund exists to promote evangelism in the Association Churches through education, training, advice, full-time and short-term workers and projects. The majority of the funding is through donations from Churches and grant income.

Gateway Fund
This is a special Home Mission Fund to promote evangelism through a new church plant for the planned new Gateway community in Ebbsfleet, Kent.

Benevolent Fund

This fund has no governing instrument. Grants are made to Christians in needy circumstances.

Loan Fund
Declaration of Trust dated 27th October 1891 governed this fund. Interest free loans were made to Churches for purchase, extension and maintenance of Chapels, Manses and other Church premises. At the end of 2019, the Loan Fund was closed to new applicants as bureaucratic complications made it difficult to continue to make interest free loans. It was decided that the money would be made available to the churches by way of grants rather than loans in the future and therefore the remaining free Funds were transferred to the Churches Aid Fund. Historically, the Churches Aid Fund and Loan Fund were run together and it is only in the past few years that the two were separated.

Pastors' Retiring an Widows' Fund
Declaration of Trust dated 2nd November 1900 governs this fund. Grants are made to retired pastors, and their widows, who have previously contributed to the fund and are without adequate means of support.

Sinclair Fund
This fund was established by a will dated 11 September 2001. The church at Gadebridge, Hemel Hempstead, has first call on any fund arising from the legacy.

NOTES TO THE ACCOUNTS
YEAR ENDED 31 DECEMBER 2020
(Continued)

17 ANALYSIS OF NET ASSETS

Current year	*2020 Investments* £	*2020 Tangible assets*	*2020 Net current assets* £	*2020 Total* £	*2019 Total* £
Unrestricted Funds	3,525,369	2,876,171	107,216	6,508,756	6,747,363
Restricted Funds	431,601	-	179,819	611,420	629,349
	3,956,970	2,876,171	287,035	7,120,176	7,376,712

Figures for previous year for comparison	*2019 Investments* £	*2019 Tangible assets*	*2019 Net current assets* £	*2019 Total* £	*2018 Total* £
Unrestricted Funds	3,640,928	2,880,500	225,935	6,747,363	6,385,452
Restricted Funds	412,500	-	216,849	629,349	692,895
	4,053,428	2,880,500	442,784	7,376,712	7,078,347

18 COMMITMENTS

The Association has commitments to make payments, in respect of land and buildings and office equipment, in the following years as follows:

	2020 £	*2019* £
Within 1 Year	1,836	295
Between 2 and 5 years	5,968	-
	7,804	295

19 TRUSTEES' REMUNERATION

A honorium of £200 was paid to one trustee, Jamie Southcombe, as a gesture of appreciation and goodwill for services rendered to the charity. No other remuneration or benefits were paid to any of the trustees during the year for their services as trustees. Also, there were no trustees' costs paid direct to third parties.

20 TRUSTEES' EXPENSES

	2020 £	*2019* £
Expenses incurred by trustees and reimbursed, amounted to:	266	440

4 trustees made a total of 6 expenses claims for the cost of travel to meetings and other events.

21 RELATED PARTIES

The following trustees are also directors of Grace Baptist Charities Limited and, as such, have an interest in transactions carried out on behalf of trusts and churches administered by the company and the charity: A A Ottley, C J Clarkson (Treasurer), A Creedy, J C A Hannan , J G Miller, D J Mortimer, Miss M O' Mara and P M Woodley. Details of the transactions and balances are disclosed in the notes to the accounts.

The following related party transactions occurred in the year:

- An annual grant of £5,254 was made to Affinity, of which Paul Spear was a trustee until July 2020.
- A Training grant of £9,850 was paid to Adrian Creedy's Son in Law, Joseph Percy, to enable him to train for the ministry.
- A Grant of £5.000 towards repairs was made to Gadebridge Baptist Church of which Pete Fuggle is also a Trustee.