

**THE CHRISTADELPHIAN HALL & BUILDINGS SOCIETY,
BIRMINGHAM**

**TRUSTEES' AND DIRECTORS' REPORT
AND AUDITED FINANCIAL STATEMENTS**

31 DECEMBER 2022

(Registered Company Number: 00113912)

(Registered Charity Number: 702637)

REFERENCE AND ADMINISTRATIVE INFORMATION

Charity name	The Christadelphian Hall & Buildings Society, Birmingham, also known as CHBS
Charity registration number	702637 (England and Wales)
Company registration number	00113912 (England and Wales)
Registered and principal office	15 Church Close Dunston Stafford ST18 9AF
Trustees and Directors	A T Collinge - Retired 18 July 2022 D C Gouldingay – Treasurer S J Ashton A S Firth – Secretary from 18 July 2022 M G Green S P Griffiths K H Rawlings J Thompson
Bankers	HSBC plc 130 New Street Birmingham B2 4JU
Solicitors	Shakespeare Martineau LLP 1 Colmore Square Birmingham B4 6AA
Investment adviser	Portcullis Financial Planning Limited Office 10 GreenBox Westonhall Road Stoke Prior Bromsgrove B60 4AL
Auditor	BK Plus Audit Limited Azzurri House Business Park Walsall Road Walsall WS9 0RB

TRUSTEES' AND DIRECTORS' REPORT

The Directors have pleasure in presenting their annual report and the financial statements of The Christadelphian Hall & Buildings Society, Birmingham for the year ended 31 December 2022.

All Directors of the Society are also Trustees for the purposes of charity law; accordingly, in this report and in the financial statements "Trustees" means both Trustees and Directors.

This report and the accompanying financial statements have been prepared in accordance with the accounting policies set out in the notes to the financial statements and comply with the Society's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland, Charities SORP (FRS 102) (second edition).

Structure, Governance and Management

The Christadelphian Hall & Buildings Society, Birmingham is a company limited by shares with charitable status. It has a Board of seven Trustees who are responsible for the governance of the charity in accordance with the Charities Act 2011 and under the Society's governing document, Articles of Association, prepared in accordance with the Companies Act 2006. The governing document was last amended on 15 February 2021.

Trustees are typically elected for a three-year period by the Society's members having regard to their professional skills and experience. When a vacancy on the Board arises, nominations for a replacement may be made either by the other Trustees or by members for election at the next Annual General Meeting. Andrew Collinge retired in July 2022 after more than 40 years' service.

By way of training, all Trustees are encouraged to read relevant available literature on charity law, practices and accounting including updates published by the Charity Commission on its website. New Trustees are additionally encouraged to attend Trustee meetings as observers before taking office. Relevant training courses are also encouraged and occasionally arranged in-house.

Day to day running of the charity is delegated by the Trustees to the Secretary, now Alistair Firth, who is assisted in overseeing the charity's operations and finances by the Treasurer, David Gouldingay and Simon Griffiths. Internal controls appropriate to the size of the charity are exercised, including division of duties (to the extent feasible) and an internal audit is undertaken annually by one of the Trustees.

The principal risks to which the charity is exposed, as identified by the Trustees, have been reviewed and systems or procedures have been established to manage those risks. These risks are primarily financial risks arising from the management of the charity's properties, loan book, treasury operations and, until September 2022, compliance with the Financial Conduct Authority consumer credit rules to which the Society was subject whilst authorised and regulated.

The Trustees meet at least four times a year (now using the Zoom online platform) and, between regular meetings, remain in regular email or telephone communication with the Secretary and Treasurer over new loan and grant applications and any other business arising.

Objectives and Activities

The objects of the charity are to promote and advance the religious work of the Christadelphian community for the public benefit, in particular through the provision or purchase of properties, and the lending or granting of funds towards the cost of purchase, building or maintaining premises and land, in each case for the use of the Christadelphian community in providing access for the public to worship and Bible-based preaching and teaching. Grant support for the running costs of Christadelphian ecclesias may also be provided.

TRUSTEES' AND DIRECTORS' REPORT - continued

The Trustees review activities each year to ensure the charity remains focused upon delivering its stated objects for the public benefit.

Public Benefit Compliance Statement

In the exercise of their powers and duties for the Society's charitable objectives the Trustees have reviewed and had regard to the Charity Commission general guidance on public benefit.

The grants, concessionary loans and rent-free property provided by the charity continue to benefit the access of the general public, regardless of race, religion, gender, ethnic or social background, to the Bible-based worship, teachings and Christian love of the Christadelphian community throughout the UK and, to a lesser extent, overseas. These help to promote a fuller understanding of the human condition, relative to the eternal things of God, and serve to provide members of the public with direction, balance and purpose in today's complex world.

Former authorisation and regulation by the Financial Conduct Authority

Until 24 September 2022, the charity was authorised and regulated by the Financial Conduct Authority ("FCA"), the regulatory body responsible for consumer credit, registered under FRN 722793. In view of the low number of applications for regulated loans and the high cost of maintaining this registration, both financially and in terms of management time, the Society sought cancellation of this FCA supervision, which was granted on the above date. Since that date loan applications may only be considered in relation to incorporated Christadelphian ecclesias.

Achievements and Performance

The way applications arise for financial support makes it difficult for the Trustees to set meaningful objectives against which performance can be measured. However, an annual budget is prepared and, as applications arise, the Trustees respond promptly other than where policy decisions arise which require the decision of a full meeting of the Trustees.

The provision of this support helps to ensure that appropriate premises remain available for promoting and advancing the religious work of the Christadelphian community.

During the year donations received included non-cash donations in kind of 6 (2021 - 3) Christadelphian halls with total FRs102 gift values of £1,061,745 (2021 - £675,856). Net gains on the sale of 2 (2021 - 1) vacated ecclesial halls realised further income of £105,862 (2021 - £258,091, this property having been held for many decades by the Society at Nil book value).

No new loans were advanced to ecclesias in the year (2021 - one new loan for £45,000).

Grants from unrestricted funds were made with a total value of £240,387 (2021 - £627,446, including exceptional grants totalling £543,182). Grants from restricted funds in the year were £Nil (2021 - £1,308). Loan repayments in the year amounted to £18,320 (2021 - £23,915). A further £63,056 (2021 - £Nil) of loan balances were settled by non-cash grants from the Society.

At the year end the Society owned 8 (2021 - 4) fixed asset properties, provided rent-free to their ecclesial occupiers under its charitable objects. During 2021 one recent, fixed asset property gift in kind was received but then

vacated and reclassified as an investment property before sale.

The Society continues to be in discussion with a number of ecclesias expressing interest in gifting ecclesial halls to the Society for nil consideration and then leasing back these halls, for continued ecclesial use, on a rent-free basis. Discussions have also been held with ecclesias contemplating closure and possible future property gifts to the Society for resale.

TRUSTEES' AND DIRECTORS' REPORT - continued

The interest of certain ecclesias in offering the Society property gifts is driven by two main factors:

(1) a shortage of willing property holding trustees; and (2) ageing ecclesial membership which foresees ecclesial closure within the medium term and wishes to protect property proceeds from tax risks for the long-term benefit of the Christadelphian community.

At 31 December 2022, 5 (2021 - 4) proposed property gifts are at a sufficiently advanced stage to warrant noting as Contingent Assets in Note 17 to the Financial Statements.

At the end of the year the charity had outstanding loans to Christadelphian ecclesias of £27,133 (2021 - £108,509).

Financial Review

The charity receives voluntary income donations, including periodic legacies or other lump sums, together with investment income. During 2022 the charity received unrestricted donations (including property gifts) of £1,061,946 (2021 - £685,863). No restricted donations were received in the year (2021 - Nil). The charity has no employees (2021 - Nil) and no emoluments were paid to the Trustees during the year (2021 - Nil).

Income and expenditure

Net income for the year was £811,072 (2021 - £34,418) and there were net realised and unrealised gains on investments of £112,794 (2021 - £286,712). This included exceptional gains on sale of investment properties of £105,862 (2021 - £258,091). This resulted in a total increase in unrestricted funds of £922,908 (2021 - £321,068) and a total increase in restricted funds of £958 (2021 - £62).

The Society is prohibited by its Articles of Association from paying dividends.

Transfers between reserves

During the year there was one transfer from restricted income funds to unrestricted funds for £8,347 (2021 - Nil) upon reaching the date when donor restrictions ceased to apply. Transfers between the unrestricted general fund and the unrestricted revaluation reserve are set out in note 15 to the financial statements and amounted to £10,200 from revaluation reserve (2021 - £18,506 to revaluation reserve). In the year £747,816 (2021 - £87,513) was also transferred to the unrestricted non-distributable reserve from unrestricted general fund in relation to property gifts received in the year.

Reserves policy

General reserves are required to fund: (a) the charity's core loan-making activities, which may be up to £250,000 (2021- £300,000); (b) up to three years' running costs of around £590,000 (2021 - £390,000) including cash-only grant payments at current levels; and (3) up to £250,000 (2021 - £Nil) to fund the prospective purchase of a hall for an ecclesia having many members or visitors who are asylum seekers or refugees with little or no income. Any reserves in excess of this level are applied to making further grants, which meet the grant-making criteria of the Charity Commission and the charity, at the earliest practicable date. Free reserves at the year-end comprised the

general fund of £999,103 (2021 - 803,714), which are currently below the level of general reserves required.

Transfers from restricted income funds to unrestricted income funds are only made when the conditions imposed by the relevant donor have been met.

Gains arising from property gifts in kind to the charity are transferred to the non-distributable reserve until realised.

TRUSTEES' AND DIRECTORS' REPORT - continued

Revaluation gains on quoted investments are transferred to unrestricted revaluation reserve until realised.

New property gifts in kind are valued in the accounts after deducting from current professional valuation net present value discounts relative to the estimated future dates on which values can be realised in cash. These gift values are then transferred from general fund to a non-distributable reserve until realised. Annual reductions in discount relative to future realisation dates are treated as revaluation gains in the general fund and then transferred to the non-distributable reserve.

The amounts of restricted, unrestricted, revaluation and non-distributable reserves held at the end of the year are respectively set out in notes 14 and 15 to the financial statements.

Investment properties held for resale

Investment properties periodically held for resale and are marketed for onward sale at the time, and in the manner, recommended by professional advisers.

Investment policy and returns

Investments are managed by the Trustees in conjunction with Portcullis Financial Planning Ltd.

Investments are held in medium term balanced risk investments, for funds not required in the short term, and in fixed interest term deposits or interest-bearing instant access bank accounts, for other funds, so that approved new loans and grants can be paid promptly.

Net assets

At 31 December 2022, the Society held net assets of £2,029,004 (2021 - £1,105,138) available for appropriate ongoing charitable activities, subject to the donor restrictions set out in note 14 to the financial statements.

The year ahead

Based on its financial forecasts the Trustees anticipate having sufficient financial resources to continue delivering the Society's charitable objects, God willing.

Fixed Assets: Programme Related Investments

Programme related investments are carried in the financial statements at either the FRS102 value gifted or the amount paid less, in the case of concessionary loans, repayments received, and less any impairment arising. In the opinion of the Trustees no such impairment had arisen at 31 December 2022 (2021 - Nil).

Responsibilities of the Trustees

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company as at the balance sheet date and of its income and expenditure for the financial year. In preparing those financial statements, the Trustees should follow best practice and:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on a going concern basis unless it is not appropriate to assume that the company will continue on that basis.

TRUSTEES' AND DIRECTORS' REPORT - continued

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

Trustees and their Share Interests

The Trustees who held office during the year and their beneficial share interests (including family interests) at the end of the year were as follows:

	Ordinary shares of £1 2022	Non- voting directors' shares of £1 2022	Ordinary shares of £1 2021	Non- voting directors' share of £1 2021
A T Collinge	N/A	N/A	12	305
S J Ashton	12	347	11	304
A S Firth	13	348	11	304
D C Gouldingay	13	348	11	304
M G Green	13	348	12	304
S P Griffiths	12	347	11	304
K H Rawlings	13	348	11	304
J Thompson	12	347	11	304

The company's Articles of Association require each Trustee to own a minimum share qualification of 5 Ordinary shares of £1 each.

None of the Trustee-owned shares have any dividend or capital entitlements so are of no economic value to their holders.

Trustees and their Share Interests

The Trustees approaching the conclusion of their three-year appointments under the Society's governing document are Mr A S Firth, Mr D C Gouldingay and Mr M G Green who will offer themselves for re-election at the 2023 Annual General Meeting, God willing.

Small company provisions

This report has been prepared in accordance with the provisions in Part 15 of the Companies Act 2006 applicable to companies subject to the small companies' regime.

This report was approved by the Board on 19 June 2023 and signed on its behalf by:

THE CHRISTADELPHIAN HALL & BUILDINGS SOCIETY, BIRMINGHAM
31 DECEMBER 2022

A S Firth
Secretary

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE
CHRISTADELPHIAN HALL & BUILDINGS SOCIETY,
BIRMINGHAM ('the Company')**

Opinion

We have audited the financial statements of The Christadelphian Hall & Buildings Society, Birmingham (the 'charitable company') 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 charitable company's affairs as at 31 December 2022, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE
CHRISTADELPHIAN HALL & BUILDINGS SOCIETY,
BIRMINGHAM ('the Company') - continued**

Other information

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

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or

- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE CHRISTADELPHIAN HALL & BUILDINGS SOCIETY, BIRMINGHAM ('the Company') - continued

- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption in preparing the directors' report

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 13, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company'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 charitable company 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 auditor under the Companies Act 2006 and report in accordance with this Act.

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

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE
CHRISTADELPHIAN HALL & BUILDINGS SOCIETY,
BIRMINGHAM ('the Company') - continued**

From the preliminary stage of the audit, we ensure our understanding of the entity is up to date. This includes, but is not limited to, current knowledge of their activities, the business and control environments, and their compliance with the applicable legal and regulatory frameworks. This information supports our risk identification and the subsequent design of audit procedures to mitigate those risks; ensuring that the audit evidence obtained is sufficient and appropriate to support our opinion.

In response to the risks identified, specific to this entity, we designed procedures which included, but were not limited to:

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Reviewing minutes of meetings of those charged with governance, if available;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale for significant transactions outside the normal course of business.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Christopher Hession C.A. (Senior Statutory Auditor)
Date: 19 June 2023

For and on behalf of BK Plus Audit Limited

Azzurri House
Walsall Road
Aldridge
Walsall
WS9 0RB

STATEMENT OF FINANCIAL ACTIVITIES
including Income and Expenditure Account
for the year ended 31 December 2022

		Unrestrict ed funds	Restrict ed funds	Total 2022	Unrestrict ed fun ds	Restrict ed funds	Total 2021
	Not e	£	£	£	£	£	£
Income from:							
Donations and legacies	2	1,061,946	-	1,061,946	685,863	-	685,863
Charitable activities:							
- Insurance recharges receivable		6,419	-	6,419	5,357	-	5,357
Investments:							
- Bank interest receivable		1,138	958	2,096	92	1,370	1,462
- Dividends and other bonuses receivable		2,731	-	2,731	2,224	-	2,224
- Rent receivable		20	-	20	20	-	20
Total income		1,072,254	958	1,073,212	693,556	1,370	694,926
Expenditure on:							
Cost of raising funds							
- Investment managers fees		1,963	-	1,963	1,896	-	1,896
Charitable activities:							
- Grants payable	3	240,387	-	240,387	627,446	1,308	628,754
- Insurance payable		7,305	-	7,305	5,357	-	5,357
-Support costs	4	12,485	-	12,485	24,501	-	24,501
Total expenditure		262,140	-	262,140	659,200	1,308	660,508
Net income before investment gains		810,114	958	811,072	34,356	62	34,418
Net gains on investments		112,794	-	112,794	286,712	-	286,712
Net income and net movement in funds		922,908	958	923,866	321,068	62	321,130
Release of restricted funds to unrestricted funds		8,347	(8,347)	-	-	-	-
Reconciliation of funds:							
Total funds brought forward		934,184	166,954	1,101,138	613,116	166,892	780,008
Total funds carried forward		1,865,439	159,565	2,025,004	934,184	166,954	1,101,138

The statement of financial activities is not materially different from the income

and expenditure account required by the Companies Act 2006; accordingly, no separate income and expenditure account is presented.

There are no recognised gains and losses for the current or prior financial years other than as stated above. Accordingly, no statement of total recognised gains and losses has been prepared.

All of the activities of the company are continuing.

Company Registration Number: 00113912

**BALANCE SHEET
at 31 December 2022**

	Note	2022 £	2021 £
FIXED ASSETS			
Programme related Investments:			
Land and buildings	6	908,396	5,808
Loans	7	27,133	108,509
Investments:			
Quoted	8	187,632	196,951
Bank term deposits	9	170,000	-
		<u>1,293,161</u>	<u>311,268</u>
CURRENT ASSETS			
Investment property	10	-	93,400
Debtors	11	15,404	19,479
Bank term deposit		-	85,000
Cash at bank		730,618	1,142,634
		<u>746,022</u>	<u>1,340,513</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	12	10,179	546,643
NET CURRENT ASSETS		<u>735,843</u>	<u>793,870</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,029,004</u>	<u>1,105,138</u>
THE FUNDS OF THE CHARITY			
Called up share capital	13	4,000	4,000
Accumulated income funds:			
Restricted funds	14	159,565	166,954
Unrestricted funds:			
General fund	15	997,353	803,714
Revaluation reserve	15	32,757	42,957
Non-distributable reserve	15	835,329	87,513
Total unrestricted funds		<u>1,865,439</u>	<u>934,184</u>
TOTAL CHARITABLE FUNDS		<u>2,029,004</u>	<u>1,105,138</u>

The Trustees acknowledge their responsibilities for:

- (1) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006; and
- (2) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial

statements, so far as applicable to the charitable company.

BALANCE SHEET

At 31 December 2022 - continued

These financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 applicable to companies subject to the small companies' regime.

The financial statements were approved by the Board of Trustees on 19 June 2023 and were signed on its behalf by:

D C Gouldingay
Director

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2022

1. ACCOUNTING POLICIES

Legal Status of the Charity

The Christadelphian Hall & Buildings Society, Birmingham is a company limited by shares registered in England and Wales and a charity registered with the Charity Commission in England and Wales.

Basis of Preparation

These financial statements have been prepared in accordance with the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland, Charities SORP (FRS102) (second edition – October 2019). The detailed accounting policies in use are described below:

The charity meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes. Management judgements about the net present value of certain property gifts in kind may significantly affect gift values recognised in the financial statements – see Gifts in kind below.

The charity maintains financial forecasts which indicate that it will have sufficient resources to meet its liabilities as they fall due and, on that basis, the Trustees are satisfied it is appropriate to prepare the financial statements on a going concern basis.

Recognition of Income

All income is included in the Statement of Financial Activities when the charity is legally entitled to the income, its receipt is probable and the amount can be measured reliably.

Investment income receivable is allocated between restricted and unrestricted funds by reference to the individual income-producing assets which make up those funds.

Gifts in kind

Fixed and current assets donated for use by the charity are recognised as income at their current value when receivable. The external valuations of some gifts are discounted to net present value relative to future dates, either 5 or 25 years ahead, when management estimates that realisation will take place. Investment properties held for onward sale are stated at independently advised selling prices less estimated acquisition costs and estimated disposal costs still to be incurred. Unrealised gains on fixed and current assets are transferred to a non-distributable reserve until realisation takes place.

The charity's balance sheet includes certain freehold land and buildings which were valued at their cost to the charity prior to the adoption of the present accounting policy. Their value has not been restated as the Trustees consider that the cost of ascertaining their values, when gifted

long ago, is not justified by the additional benefit such information would provide to users of the financial statements.

Recognition of Expenditure

Expenditure is included in the Statement of Financial Activities on an accruals basis when, and to the extent that, a liability, legal or constructive, is incurred and can be reliably measured.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2022

1. ACCOUNTING POLICIES - continued

Recognition of Expenditure - continued

A constructive liability for a grant is considered to have been incurred when a grant offer has been issued to the recipient ecclesia and all grant conditions have been satisfied.

Fixed Assets Investments: Programme Related Investments

Programme related investments are made to further the objects of the charity and not for financial return. They comprise freehold properties held by the charity, let rent-free to an occupying Christadelphian ecclesia as part of the charity's primary work, and concessionary loans to Christadelphian ecclesias for the acquisition, repair or improvement of premises and land for use by the Christadelphian community. Concessionary loans are unsecured and interest-free and are repayable within a 12 (2021 - 12) year period from inception. Programme related investments are measured in the balance sheet at the amount paid or FRS102 value gifted less, in the case of concessionary loans, repayments received, and less any impairment arising.

Investments

Investment properties held for onward sale are stated at their net realisable value on the balance sheet. Where these properties derive from gifts in kind, unrealised gains are transferred to a non-distributable reserve.

Investments in quoted assets are stated at their fair value on the balance sheet date. Gains or losses on revaluation and investment assets disposals are shown in the Statement of Financial Activities. Unrealised gains are transferred to the revaluation reserve.

Long term investments are classified as fixed assets. Short term investments are classified as current assets.

Fund Accounting

Funds which may be used in accordance with the charity's objects, at the discretion of the Trustees, are held in unrestricted income funds. Restricted funds may only be used for the purpose specified by the donor within the objects of the charity.

Cash at Bank

Cash at bank includes instant access deposit accounts and, unless shown separately on the balance sheet, term deposits maturing within 12 months of the balance sheet date.

Creditors and Provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount required to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amounts after allowing for any trade discounts due.

Financial Instruments

The charity's financial assets and liabilities all qualify as basic financial instruments.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2022

2. DONATIONS AND LEGACIES

	Unrestricted funds	Restrict ed funds	Total 2022	Unrestrict ed funds	Restrict ed funds	Total 2021
	£	£	£	£	£	£
These arose from the following sources:						
Thornton Heath Ecclesia – hall gift on closure and sale	-	-	-	585,724	-	585,724
Barnet Ecclesia – hall gift for leaseback at nominal rent	546,533		546,533			
Seaton Ecclesia – hall gift for leaseback at nominal rent	-	-	-	80,374	-	80,374
Bath Ecclesia – hall gift for leaseback at nominal rent	220,328	-	220,328	-	-	-
St Albans Ecclesia – on closure and hall sale	123,638	-	123,638	-	-	-
Aylesbury Ecclesia – for resale on closure	119,797	-	119,797	-	-	-
Shrewsbury Ecclesia – hall gift for leaseback at nominal rent	38,896	-	38,896	-	-	-
Ellwood Ecclesia – hall gift for leaseback at nominal rent	12,553	-	12,553	-	-	-
Lincoln Ecclesia – on closure and hall sale	-	-	-	10,000	-	10,000
Nelson Ecclesia – hall gift on closure and sale	-	-	-	9,758	-	9,758
Total under £5,000	201	-	201	7	-	7
	1,061,946	-	1,061,946	685,863	-	685,863

3. CHARITABLE ACTIVITIES - GRANTS PAYABLE

	Unrestricted funds	Restrict ed funds	Total 2022	Unrestrict ed funds	Restrict ed funds	Total 2021
	£	£	£	£	£	£
Grants to institutions within charitable objects comprised:						
Exceptional grants to other Christadelphian charities	-	-	-	543,182	-	543,182
Christadelphian Bible Mission – overseas ecclesias (Africa)	71,146	-	71,146	34,564	-	34,564
Ashton-under-Lyne Ecclesia	45,000	-	45,000	15,000	-	15,000
Glasgow Kelvin Ecclesia	25,000	-	25,000	-	-	-
Llanelli Ecclesia	24,29	-	24,29	-	-	-

	4		4			
Kings Heath Ecclesia	15,750	-	15,750	-	-	-
Betws Ecclesia	12,600	-	12,600	-	-	-
Hereford Ecclesia	3,500	-	3,500	8,000	-	8,000
Blackheath Ecclesia	7,740	-	7,740			
Doncaster Ecclesia	7,592	-	7,592	-	-	-
Bournville Ecclesia	-	-	-	7,500	-	7,500
Bracknell Ecclesia	-	-	-	7,500	-	7,500
Under £7,500	27,765	-	27,765	11,700	1,308	13,008
	240,387	-	240,387	627,446	1,308	628,754

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2022

4. SUPPORT COSTS

	2022	2021
	£	£
Legal and professional expenses (see note below)	2,230	19,376
Audit fees (2021 independent examiner's costs)	4,500	1,600
Trustee indemnity and personal accident insurance	2,337	712
Utility costs on investment properties	1,520	-
Financial Conduct Authority - compliance advice	-	1,440
Financial Conduct Authority - annual fee	1,109	836
Trustee expenses	483	159
Miscellaneous expenses	306	378
	<u>12,485</u>	<u>24,501</u>

2021 legal and professional expenses included £4,387 relating to an ecclesial property gift that the ecclesia withdrew from in the closing stages. £4,012 was also expended on a separate gift and leaseback transaction where the ecclesia was unable to continue but instead hopes to make a property gift for resale to the Society in future.

5. TRUSTEES, DIRECTORS AND EMPLOYEES

The company has no employees. All members of the board act in an unpaid capacity so none of the Trustees and Directors received any remuneration for the year (2021 - Nil).

No expenses were claimed by any Trustee with the exception of secretarial expenses and/or travelling expenses incurred by and reimbursed or accrued for reimbursement to: A S Firth £83 (2021 - £Nil) A T Collinge £168 (2021 - £89) and D C Gouldingay £232 (2021 - £70).

6. FIXED ASSETS INVESTMENTS - PROGRAMME RELATED INVESTMENTS:

LAND AND BUILDINGS

Programme related investments: land and buildings comprise the following freehold properties let at peppercorns rents to occupying ecclesias.

	2022 £	2021 £
Cost or valuation		
At 1 January	5,808	5,808
Additions:		
- Donations in the year at Day 1 net present value	818,309	-
- Acquisition costs	67,259	-
- Net present value revaluations since acquisition	17,020	-
At 31 December	908,396	5,808
Impairment		
At 1 January and 31 December	-	-
Net book value		
At 31 December	908,396	5,808

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2022

6. FIXED ASSETS INVESTMENTS - PROGRAMME RELATED INVESTMENTS:

LAND AND BUILDINGS - continued

	2022 £	2021 £
The occupying ecclesias and net book values at 31 December were:		
Bournville Ecclesia	2,232	2,232
East Ham Ecclesia	1,286	1,286
Kings Heath Ecclesia	-	-
Old Trafford Ecclesia	2,290	2,290
Barnet Ecclesia	573,813	-
Bath Ecclesia	230,266	-
Shrewsbury Ecclesia	72,178	-
Ellwood Ecclesia	26,331	-
Net book value at 31 December	908,396	5,808

Freehold buildings are insured by the charity, the relevant proportion of the premium being recharged at cost to each occupying ecclesia.

7. FIXED ASSETS INVESTMENTS - PROGRAMME RELATED INVESTMENTS: CONCESSIONARY LOANS

Programme related investments: concessionary loans comprise advances made to ecclesias for the acquisition, repair or improvement of premises and land for use by the Christadelphian Community. Loans are unsecured and interest-free and repayable within a period of up to twelve years from

inception. Movements in the year were as follows:

	2022	2021
	£	£
Loans at 1 January	108,509	87,424
New loans advanced	-	45,000
	<u>108,509</u>	<u>132,424</u>
Less:		
- New or existing loans repaid	18,320	23,915
- Loans waived by CHBS – treated as additional grants	63,056	-
	<u>27,133</u>	<u>108,509</u>
Loans at 31 December	<u>27,133</u>	<u>108,509</u>
Outstanding loans at year end:		
Ashton-under-Lyne Ecclesia	-	45,000
Barton-under-Needwood Ecclesia	4,500	6,500
Birmingham, Kings Heath Ecclesia	15,300	34,200
Maidenhead Ecclesia	-	7,200
Manchester, Old Trafford Ecclesia	7,333	9,200
Nottingham (South) Ecclesia	-	3,909
Wellington Ecclesia, New Zealand	-	2,500
	<u>27,133</u>	<u>108,509</u>

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2022

7. FIXED ASSETS INVESTMENTS - PROGRAMME RELATED INVESTMENTS:

CONCESSIONARY LOANS - continued

£5,667 (2021 - £12,615) is due for repayment within 12 months of the balance sheet date.

At 31 December 2022 the charity had committed Nil (2021 – £Nil) to new ecclesial loan advances, subject to contract, and accordingly not taken up at the reporting date.

8. FIXED ASSET INVESTMENTS: QUOTED INVESTMENTS

	2022	2021
	£	£
Market value at start of year	196,951	175,141
Acquisitions at cost	2,731	2,224
Disposal proceeds	(1,963)	(1,896)
Realised gains/(losses)	-	-

Unrealised (losses)/ gains	<u>(10,087)</u>	<u>21,482</u>
Market value at end of year	<u>187,632</u>	<u>196,951</u>
Historic cost of investments held at year end	<u>155,547</u>	<u>154,958</u>
The investment portfolio comprises:		
Equity income funds	70,589	74,224
Managed growth bonds	62,693	66,755
Property bonds	54,350	55,972
	<u>187,632</u>	<u>196,951</u>

9. FIXED ASSET INVESTMENTS: BANK TERM DEPOSITS

	£	£
Maturing in January 2025	85,000	-
Maturing in February 2026	85,000	-
	<u>170,000</u>	<u>-</u>

The deposit maturing in February 2026 was made by cheque posted using guaranteed overnight delivery on 22 December 2022. The bank concerned was unable to conclude its internal processes until the new financial year so that the deposit cheque was not cleared until 17 February 2023. Thereafter, interest began to accrue.

10. INVESTMENT PROPERTY

	£	£
Held for resale	<u>-</u>	<u>93,400</u>

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2022**

11. DEBTORS

	£	£
Prepaid acquisition costs – investments	15,375	19,248
Accrued income - interest on deposits	29	231
	<u>15,404</u>	<u>19,479</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	£	£
Other creditors (including grants £5,679 – 2021 £543,182)	10,179	546,643
	<u> </u>	<u> </u>

13. SHARE CAPITAL

	£	£
Authorised, called up, allotted and fully paid:		
1,567 Ordinary shares of £1 each	1,567	1,567
2,433 Non-voting directors' shares of £1 each	2,433	2,433
	<u>4,000</u>	<u>4,000</u>

None of the shares are dividend-bearing.

14. RESTRICTED FUNDS

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and legacies held on trust for specific purposes:

	Opening balance £	Movement in funds			Closing balance £
		Income £	Expenditure £	Transfers £	
Donation – former Tenby Ecclesia	95,163	575	-	-	95,738
Legacy A - Anonymous	63,444	383	-	-	63,827
Legacy B - Anonymous	8,347	-	-	(8,347)	-
	<u>166,954</u>	<u>958</u>	<u>-</u>	<u>(8,347)</u>	<u>159,565</u>

The restricted donation from the former Tenby Ecclesia is conditional upon a grant of up to £90,000 (plus net income) being made available by the charity, within its objects, towards the property needs of any recognised new Christadelphian ecclesia that may in future be established in a donor-prescribed area on or before 30 April 2029. Should such grant be required £20,000 would be payable after 60 days, a further £20,000 after 6 months and the balance of £50,000 (plus any net income) after 2 years. With effect from 1 May 2029 any unused funds will be transferable to unrestricted income funds.

Restricted legacy A is conditional upon a grant of up to £60,000 (plus net

income) being made available by the charity, within its objects, towards the property needs of any recognised Christadelphian ecclesia that may in future be established in an estate-prescribed area on or before 31 March 2025. Should such grant be required £20,000 would be payable after 60 days, a further £20,000 after 6 months and the balance of £20,000 (plus any net income) after 2 years. With effect from 1 April 2025 any unused funds will be transferable to unrestricted income funds.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2022

14. RESTRICTED FUNDS - continued

Restricted legacy B was conditional upon a grant of up to £9,130 (plus net income less expenditure) being made available by the charity, within its objects, towards the property needs of a prescribed Christadelphian ecclesia before 24 May 2022. With effect from 25 May 2022 unused funds were transferred to unrestricted income funds.

15. UNRESTRICTED FUNDS

<i>31 December 2022</i>	Opening balance	Income	Expendit ure	Gains and losses	Transfer s	Closing balance
	£	£	£	£	£	£
General fund	803,714	1,072,254	(262,140)	112,794	(729,269)	997,353
Revaluation reserve	42,957	-	-	-	(10,200)	32,757
Non-distributable reserve	87,513	-	-	-	747,816	835,329
	<u>934,184</u>	<u>1,072,254</u>	<u>(262,140)</u>	<u>112,794</u>	<u>8,347</u>	<u>1,865,439</u>

<i>31 December 2021</i>	Opening balance	Income	Expendit ure	Gains and losses	Transfer s	Closing balance
	£	£	£	£	£	£
General fund	588,665	693,556	(659,200)	286,712	(106,019)	803,714
Revaluation reserve	24,451	-	-	-	18,506	42,957
Non-distributable reserve	-	-	-	-	87,513	87,513
	<u>613,116</u>	<u>693,556</u>	<u>(659,200)</u>	<u>286,712</u>	<u>-</u>	<u>934,184</u>

The revaluation reserve comprises unrealised gains on the charity's fixed assets investments portfolio. The non-distributable reserve comprises unrealised gains on certain of the charity's investment properties.

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restrict ed Funds £	General Funds	Total
<i>At 31 December 2022:</i>			

		£	£
Fixed assets: programme related investments	-	935,529	935,529
Fixed assets: investments	-	357,632	357,632
Current assets	159,565	586,457	746,022
Creditors: amounts falling due within one year	-	(10,179)	(10,179)
Total net assets	159,565	1,869,439	2,029,004

At 31 December 2021:

		£	£
Fixed assets: programme related investments	-	5,808	5,808
Fixed assets: investments	-	305,460	305,460
Current assets	166,954	1,173,559	1,340,513
Creditors: amounts falling due within one year	-	(546,643)	(546,643)
Total net assets	166,954	938,184	1,105,138

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2022**

17. CONTINGENT ASSETS

Fixed assets – programme related investments: land and buildings

At 31 December 2022 the charity had been advised of 5 (2021 - 4) proposals to gift properties to the Society with a view either to leasing them back forthwith from the charity at peppercorn rents or for the charity to hold or resell.

Whilst these hall gifts seem probable and the charity can measure their value with reasonable accuracy, at 31 December 2022 aspects of legal and other due diligence were still to be completed so legal entitlement had not passed. Accordingly, these proposed gifts and leasebacks cannot be included in the Society's 2022 income or assets. At the balance sheet date, the Trustees estimate the accounting value of these gifts to be £590,000 (2021 - £635,000). The first of these gifts, with an estimated gift value of £170,000 at 31 December 2022, was legally completed on 6 January 2023. It was subsequently sold at auction on 1 February 2023 for completion on 1 March 2023 at a price well in excess of its year end valuation. Both completion and onward sale of this property gift represent non-adjusting events after the balance sheet date.

18. CONTINGENT LIABILITIES

At 31 December 2022 the charity had issued one offer of grant funding to an ecclesia where the satisfaction of remaining conditions for the payment of loans and grants lay outside the actions of the charity. Accordingly, contingent liabilities of £30,522 (2021 - £Nil) were outstanding at the balance sheet date.

19. TAXATION

The company is a registered charity and as such is exempt from tax on income and gains arising from activities within its charitable objects. No tax charges have arisen in the charity.

20. RELATED PARTY TRANSACTIONS

Up until 31 December 2021 Mr Jonathan Thompson was the Managing Director of Portcullis Financial Planning Limited ("PFP"), which provides investment advisory services to the charity. During 2021 PFP received fees of £783 paid from the funds administering the charity's fixed assets investments.

With the exception of the above fees paid to PFP, no Trustee or other person related to the charity had any personal interest in any transaction entered into by the charity other than the repayment of expenses disclosed in note 5 (2021 - Nil).