

**BAPTIST BUILDING FUND**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 DECEMBER 2016**

**BAPTIST BUILDING FUND**

**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31 DECEMBER 2016**

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## **BAPTIST BUILDING FUND**

### **192ND ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2016**

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The Trustees present their report together with financial statements for the year ended 31 December 2016. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS102) in preparing the annual report and financial statements of the charity.

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

The Baptist Building Fund is an unincorporated association which is a registered charity administered under the terms of its Governing Document which was approved at the Annual Meeting of Subscribers held on 17 June 2009. The activities of the Fund are controlled by the Trustees, details of whom are set out on page 4 of this Report. The Trustees are appointed by the Subscribers at an Annual Meeting held in the summer each year, the present Trustees being appointed by the Subscribers on 27 June 2016.

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

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

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

#### **Risk review**

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

#### **Public benefit**

The Trustees confirm that they have referred to the guidance contained in The Charity Commission general guidance on public benefit when reviewing the Fund's aims and objectives and in planning future activities.

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### **Objectives and activities**

The main object of this fund is the advancement of the Christian faith by facilitating the mission of Baptist churches in the United Kingdom and Ireland by way of loans, with or without interest, and/or by making grants for the building, purchase, enlargement, repair of or removal of the debts on places of worship, manses and other halls or buildings belonging to the Churches or the Colleges of the Baptist denomination throughout the United Kingdom and Ireland; by way of loans and/or grants to other charitable bodies including but not exclusively The Baptist Union of Great Britain or its successor in title, Associations that form part of The Baptist Union of Great Britain or their successors in title, The Baptist Strategy Building Fund or its successor in title and the Grace Baptist Trust Corporation or its successor in title.

Currently loans from the Fund do not exceed £250,000 in any one case and are normally repayable by twenty half-yearly instalments, but the Trustees have power to vary these terms provided that the normal repayment term is not exceeded by more than two further years. Borrowers are invited to make a thank-offering to the Fund on completion of the repayment of their loan.

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

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

### **Achievement and performance**

During the year the Trustees received enquiries from 40 (2015: 55) Baptist churches.

Trustees received loan applications from fourteen churches during the year, requesting loans totalling £2,038,000. Of these, seven churches whose loans totalled £940,000 were approved subject to conditions which the churches have yet to fulfil; two applications totalling £400,000 were paid out during the year; one application for £250,000 was withdrawn by the church; one application awaits further information, and three applications amounting to £428,000 will be considered during 2017. Seven applications amounting to £830,000 were brought forward from previous years and paid out during 2016, making a total of nine loans amounting to £1,230,000 paid out during the year - a record!

During the year 6 (2015: 6) churches completed their loan repayments.

At 31 December 2016, 37 (2015: 42) loans outstanding amounted to £2,380,413 (2015: £1,851,425).

## **BAPTIST BUILDING FUND**

### **192ND ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2016**

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#### **Achievement and performance (continued)**

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

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

#### **Financial review**

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

No gifts in kind were received during the year.

Fund expenditure (excluding grants and costs associated with ultimate trusts) is considered to be modest at 0.8% (2015: 0.7%) of total funds, and is incurred in promoting the aims and awareness of the fund, and dealing with its administration. Where an ultimate trust is received by this charity on terms where the funds are to be held or disposed of in such manner as the Trustees shall direct or appoint, the Trustees may make grants of up to 25% of the funds available to the local Regional Baptist Association for use in capital projects. The Fund is now also providing assistance to The Baptist Union to help Churches suffering as a consequence of the deficit on The Baptist Pension Scheme.

The monies held by this Fund have been applied in providing loans to churches to enable them to expand, repair and improve their premises, for use by Baptists. The Trustees wish to use the funds available to them in assisting churches rather than making investments. At the end of the financial year, 62% (2015: 50%) of the funds available had been advanced to churches by way of loans, leaving cash reserves of £1,080,095 (2015: £1,846,590) at the end of the year. Of this sum, £823,000 (2015: £500,000) had been approved for loans to be made to churches for specific projects to be drawn down by the churches as their funding requires. Following legal advice, Trustees made grants instead of loans to eight churches amounting to £117,375 (2015: nil).

The Fund also became entitled to £340,679 from the sale of the former Victoria Park Baptist Church, Deal and £210,274 from the sale of the former Fishergate Baptist Church, Preston during the year. In accordance with their standard policy, Trustees allocated a grant of £85,169 to the South Eastern Baptist Association and £52,568 to the North Western Baptist Association, both for use in capital projects. They also resolved to make a grant to assist the Baptist Union with their contributions to the deficit on the Baptist Pension Scheme where churches have closed and there is a personal liability.

#### **Reserves policy**

It is the policy of this charity to maintain the Capital Fund at the maximum level possible, consistent with retaining the General Fund at a level which equates to approximately six months' expenditure on support costs. At 31 December 2016 the General Fund balance amounted to £15,453 of which all were free reserves. The Designated Fund balance amounted to £137,737 and related to monies to be transferred to the Baptist Union for the Pension Deficit. The Capital Fund balance amounted to £3,716, 538 and is available for making loans.

## **BAPTIST BUILDING FUND**

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

The Trustees intend to continue following the policy of making the maximum amount of funds available to Baptist churches and colleges that need assistance with their building projects. In order to facilitate this, the Trustees will continue to make known the availability of funding to key personnel within the Baptist denomination. The maximum loan limit was increased to £250,000 on 24 February 2016. At 31 December 2016, enquiries had been received which, if all progress to being successful loan applications, would utilise all available funds.

#### **Reference and administrative details**

<b>Charity Registration Number</b>	218823
<b>Registered address</b>	Crugybar 66 St Mary's Road KETTERING Northamptonshire NN15 7BW

#### **Trustees**

The Trustees are appointed at the Annual Meeting of Subscribers in each year. All served throughout the year and are Trustees at the date of signing this report, with the exception of those noted below.

Mr Andrew C Burgess MA	Mr John D Levick DipFS ACIB
Mr Peter E Brazier ACIB	Mr Andrew M Lewis BSc DipArb
Reverend Nigel R Coles BA MLitt (appointed 27 June 2016)	FRICS FCI Arb
Mr Eric Cousins FCCA	Reverend Canon David B Milner
Mr Edward A Duffield ACIB	Reverend Martin R Poole BD
Mrs Marion D Fiddes CPFA PG Dip	Mr Bryan K H Rogers FCA
Reverend Catriona J T Gorton BA BSc MPhil	Reverend Michael J Vidler BTh
Mr Marsden P Holden (retired 11 July 2016)	Mr David J Wattis FCA
Mrs Jacqueline Keenan	Mr Philip J Wootton BA DipArch RIBA
Mr David M Leverett FCA	(resigned April 2017)

The Trustees wish to place on record their appreciation for the long period of service of Mr Marsden Holden who was appointed to this Fund in 2000 and who retired during the year.

**Secretary/Treasurer**  
(to whom day to day management of  
the charity is delegated).

David M Leverett FCA

## **BAPTIST BUILDING FUND**

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### **Reference and administrative details (continued)**

#### **Independent Auditor**

Smith Hodge and Baxter  
Chartered Accountants and Statutory Auditor  
Thorpe House  
93 Headlands  
KETTERING  
Northamptonshire NN15 6BL

#### **Bankers**

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

National Westminster Bank plc  
21a Somerset Square  
Nailsea  
BRISTOL  
Avon BS99 5ES

#### **Solicitors**

Tollers LLP  
2 Exchange Court  
Cottingham Road  
CORBY  
Northamptonshire NN17 1TY

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Life subscribers	Dr F L Ashworth	1992
	Dr M D Bonnington	1991
	Mr P E Brazier	2003
	Mr P N Clark	1990
	Mrs J M Clarke	1986
	Mr P Clarke	1986
	Reverend Dr M J Collis	1991
	Mr M E Digby	1993
	Mr E A Duffield	2000
	Mrs M D Fiddes	2001
	Mr C A Golding	1988
	Mr M P Holden	1998
	Reverend Dr K G Jones	1991
	Mr R F Knight	1998
	Mr A J Lawford	1990
	Mr D M Leverett	2010
	Mr J D Levick	2007
	Reverend Dr J Morgan-Wynne	2007
	Mr C Peat-Bailey	1998
	Reverend M H E Ridgeon	1988
	Mr D T Roberts	1993
	Mr B K H Rogers	2001
	Mr C R Saunders	1991
	Miss J M Sawyer	1992
	Mr K Shield	1990
	Miss I L Skegg	1985
	Mr F G Sunderland	1995
	Mr A K Timmis	1987
	Mr D J Wattis	1999



## BAPTIST BUILDING FUND

### ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

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#### Trustees' responsibilities

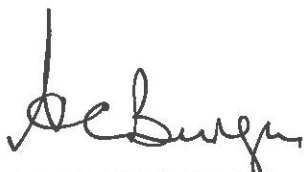
The Trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

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

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

ON BEHALF OF THE TRUSTEES



ANDREW C BURGESS  
Chairman

28 June 2017

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

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We have audited the financial statements of the Baptist Building Fund for the year ended 31 December 2016, which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS102 "The Financial Reporting Standard" applicable in the UK and Republic of Ireland.

This report is made solely to the charity's Trustees, as a body, in accordance with regulations made under Section 154 of the Charities Act 2011. 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 our 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 Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of trustees and auditor**

As explained more fully in the Trustees' Responsibilities Statement on page 7, the Trustees are responsible for the preparation of financial statements which give a true and fair view.

We have been appointed as auditor under Section 144.4 of the Charities Act 2011 and report in accordance with regulations under Section 154 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the Trustees; and
- the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Report of the Trustees to identify material inconsistencies with the audited financial statements, and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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

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### Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2016, 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.

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

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

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.



**SMITH HODGE AND BAXTER**  
**CHARTERED ACCOUNTANTS AND STATUTORY AUDITOR**  
**THORPE HOUSE**  
**93 HEADLANDS**  
**KETTERING**  
**NORTHAMPTONSHIRE**  
**NN15 6BL**

**25 September 2017**

Smith Hodge and Baxter is eligible to act as an auditor in terms of Section 1212 of The Companies Act 2006.

**BAPTIST BUILDING FUND**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

**Income and expenditure account**

	<b>Note</b>	<b>General Fund £</b>	<b>Designated Fund £</b>	<b>Capital Fund £</b>	<b>Total 2016 £</b>	<b>Total 2015 £</b>
<b>Income and endowments from:</b>						
Donations and legacies	2	25,177	0	0	<b>25,177</b>	41,148
Investments	3	1,785	0	0	<b>1,785</b>	2,838
Other						
- Proceeds of ultimate trusts	4	0	0	550,953	<b>550,953</b>	564,022
<b>Total income and endowments</b>		<b>26,962</b>	<b>0</b>	<b>550,953</b>	<b>577,915</b>	<b>608,008</b>
<b>Expenditure on:</b>						
Raising funds		0	0	0	<b>0</b>	0
Charitable activities	5	31,330	158,403	255,112	<b>444,845</b>	157,652
<b>Total expenditure</b>		<b>31,330</b>	<b>158,403</b>	<b>255,112</b>	<b>444,845</b>	<b>157,652</b>
<b>Net income/(expenditure)</b>		<b>(4,368)</b>	<b>(158,403)</b>	<b>295,841</b>	<b>133,070</b>	<b>450,356</b>
<b>Transfers between Funds</b>		<b>5,000</b>	<b>137,737</b>	<b>(142,737)</b>	<b>0</b>	<b>0</b>
<b>Net Movement in Funds</b>		<b>632</b>	<b>(20,666)</b>	<b>153,104</b>	<b>133,070</b>	<b>450,356</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward	7	14,821	158,403	3,563,434	<b>3,736,658</b>	3,286,302
<b>Total funds carried forward</b>	<b>15</b>	<b>15,453</b>	<b>137,737</b>	<b>3,716,538</b>	<b>3,869,728</b>	<b>3,736,658</b>

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

The accompanying notes on pages 13 to 21 form part of these financial statements.

# BAPTIST BUILDING FUND

## BALANCE SHEET AS AT 31 DECEMBER 2016

	Note	2016		2015	
		£	£	£	£
<b>Fixed Assets</b>					
Investments	9		2,380,413		1,851,425
<b>Current Assets</b>					
Debtors	10	554,207		44,408	
Cash at bank and in hand		1,080,095		1,846,590	
		1,634,302		1,890,998	
<b>Creditors: Amounts falling due within one year</b>	11	144,987		5,765	
<b>Net Current Assets</b>			1,489,315		1,885,233
<b>Total Assets less Current Liabilities being Net Assets</b>			3,869,728		3,736,658
<b>Charity Funds</b>					
<b>Unrestricted funds</b>					
General Fund	12		15,453		14,821
Designated Fund	13		137,737		158,403
Capital Fund	14		3,716,538		3,563,434
			3,869,728		3,736,658

The financial statements were approved and authorised for issue by the Trustees on 28 June 2017.

Signed on behalf of the Board of Trustees:

  
A C Burgess  
Chairman

  
D M Leverett  
Secretary/Treasurer

The accompanying notes on pages 13 to 21 form part of these financial statements.

# BAPTIST BUILDING FUND

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2016

	2016 £	2015 £
<b>Reconciliation of net movement in funds to net cash flow from operating activities</b>		
Net movement in funds	133,070	450,356
Decrease/(increase) in debtors	(509,799)	(40,812)
Increase/(decrease) in creditors	139,222	(334)
<b>Net cash used in operating activities</b>	<b>(237,507)</b>	<b>409,210</b>
<b>Cash flow from operating activities being</b>		
<b>Net cash flow from operating activities</b>	<b>(237,507)</b>	<b>409,210</b>
<b>Cash flow from investing activities</b>		
Payments to acquire social investments	(1,230,000)	(409,000)
Grants made	117,375	0
Receipts from sales of social investments	583,637	452,911
<b>Net cash flow from investing activities</b>	<b>(528,988)</b>	<b>43,911</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(766,495)</b>	<b>453,121</b>
<b>Cash and cash equivalents at 1 January 2016</b>	<b>1,846,590</b>	<b>1,393,469</b>
<b>Cash and cash equivalents at 31 December 2016</b>	<b>1,080,095</b>	<b>1,846,590</b>
<b>Cash and cash equivalents consists of:</b>		
Cash at bank and in hand	1,080,095	1,846,590
<b>Cash and cash equivalents at 31 December 2016</b>	<b>1,080,095</b>	<b>1,846,590</b>

## **BAPTIST BUILDING FUND**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016**

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

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

The Baptist Building Fund is an unincorporated association which is a registered charity administered under the terms of its Governing Document in England. The address of the registered office is given in the charity information on page 4 of these financial statements. The nature of the charity's operations and principal activities are assisting Baptist Churches with building projects, and with aiding local Baptist Associations to expand their funds for capital projects within their area.

The charity constitutes a public benefit entity as defined by FRS102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102) issued on 16 July 2014, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland (FRS102), the Charities Act 2011 and UK Generally Accepted Accountancy Practice as it applies from 1 January 2015.

The financial statements are prepared on a going concern basis under the historical cost convention modified to include certain items at a fair value. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £1.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

##### **INCOME RECOGNITION**

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

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

Life subscriptions are included in full in the year of receipt.

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

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

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

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

## **BAPTIST BUILDING FUND**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016**

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

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

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

Proceeds from ultimate trusts are recognised in the accounts when the charity is notified of entitlement to the funds, there is sufficient certainty of receipt (usually when the relevant property has been sold), and the amount can be reliably measured.

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

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

##### **EXPENDITURE RECOGNITION**

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

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

##### **FUND ACCOUNTING**

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

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

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

##### **INVESTMENTS**

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

###### **Concessionary Loans**

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



# BAPTIST BUILDING FUND

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

<b>2 INCOME FROM DONATIONS AND LEGACIES</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Thank-offerings from Churches (see below)	<b>24,625</b>	40,738
Church Donations	<b>15</b>	15
Personal Subscriptions and Donations	<b>537</b>	395
	<b>25,177</b>	41,148
<b>Thank-offerings from Churches</b>	<b>£</b>	<b>£</b>
Birmingham, Small Heath	<b>2,500</b>	0
Bristol, Hanham	<b>4,000</b>	0
Derby, Broadway	<b>2,000</b>	0
Dorchester	<b>0</b>	2,500
East Barnet	<b>0</b>	3,571
Exwick	<b>4,625</b>	0
Hinckley	<b>0</b>	3,571
Ipswich, Burlington	<b>0</b>	3,580
Kidlington	<b>0</b>	7,145
Kilmington	<b>3,000</b>	0
Reading, Lower Early	<b>0</b>	6,000
Rothwell	<b>0</b>	1,250
Sileby	<b>0</b>	3,571
Southampton, Thornhill	<b>0</b>	7,000
Statham	<b>0</b>	1,050
Swansea, Pantygwydr	<b>2,500</b>	0
Westward Ho!	<b>6,000</b>	0
Whitchurch	<b>0</b>	1,500
	<b>24,625</b>	40,738
<b>3 INCOME FROM INVESTMENTS</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Bank Interest	<b>1,785</b>	2,838
	<b>1,785</b>	2,838

# BAPTIST BUILDING FUND

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

<b>4 PROCEEDS OF ULTIMATE TRUSTS</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Deal, Victoria Park	340,679	0
Preston, Fishergate	210,274	0
Sherborne	0	524,209
Trelewis	0	39,813
	<b>550,953</b>	<b>564,022</b>
<b>5 CHARITABLE ACTIVITIES</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
<b>General Fund</b>		
<b>Support costs:</b>		
Secretary/Treasurer fees	10,358	10,155
Travel costs	2,764	1,472
Printing, stationery, postage and telephone	1,765	1,555
Bank charges	129	140
Insurance	645	591
General publicity	4,797	4,298
Exhibition costs	705	1,249
Website	74	57
Governance costs (see note 6)	10,093	7,086
	<b>31,330</b>	<b>26,603</b>
<b>Designated Fund grant</b>		
Baptist Union pension emergency appeal	158,403	0
<b>Capital Fund grants</b>		
Berkhamsted Baptist Church	17,000	0
Charlton Kings Baptist Church	23,750	0
Crewkerne and Misterton Baptist Church	5,000	0
Dagenham Baptist Church	17,600	0
Doncaster, Bentley Baptist Church	5,275	0
North Western Baptist Association	52,568	0
Rumney Baptist Church	15,000	0
South Eastern Baptist Association	85,169	0
South West Baptist Association	0	131,049
Welwyn Garden City, Howlands Baptist Church	20,000	0
York Baptist Church	13,750	0
	<b>255,112</b>	<b>131,049</b>
<b>Total charitable activities</b>	<b>444,845</b>	<b>157,652</b>

# BAPTIST BUILDING FUND

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

<b>6 GOVERNANCE COSTS</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Trustees' Meetings	4,230	4,086
Audit	3,420	3,000
Legal fees	2,443	0
	<b>10,093</b>	<b>7,086</b>

## 7 STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2015

	<b>General Fund</b>	<b>Designated Fund</b>	<b>Capital Fund</b>	<b>Total 2015</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Income and endowments from:</b>				
Donations and legacies	41,148	0	0	41,148
Investments	2,838	0	0	2,838
Other				
- Proceeds of ultimate trusts	0	0	564,022	564,022
<b>Total income and endowments</b>	<b>43,986</b>	<b>0</b>	<b>564,022</b>	<b>608,008</b>
<b>Expenditure on:</b>				
Raising funds	0	0	0	0
Charitable activities	26,603	0	131,049	157,652
<b>Total expenditure</b>	<b>26,603</b>	<b>0</b>	<b>131,049</b>	<b>157,652</b>
<b>Net income</b>	<b>17,383</b>	<b>0</b>	<b>432,973</b>	<b>450,356</b>
<b>Transfers between Funds</b>	<b>(17,000)</b>	<b>141,155</b>	<b>(124,155)</b>	<b>0</b>
<b>Net Movement in Funds</b>	<b>383</b>	<b>141,155</b>	<b>308,818</b>	<b>450,356</b>
<b>Reconciliation of funds:</b>				
Total funds brought forward	14,438	17,248	3,254,616	3,286,302
<b>Total funds carried forward</b>	<b>14,821</b>	<b>158,403</b>	<b>3,563,434</b>	<b>3,736,658</b>

## BAPTIST BUILDING FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

#### 8 PAYMENTS TO TRUSTEES AND CONNECTED PERSONS

##### a) Payments to Trustees

Other than the Secretary/Treasurer (Mr David Leverett), no trustee or person with a family or business connection with a trustee received any remuneration in the year, directly or indirectly from the charity. Mr Leverett is remunerated for his work in administering the fund. His remuneration is agreed by the trustees.

Expenses reimbursements paid to 17 (2015: 20) trustees (excluding the secretary/treasurer during the year amounted to £4,469 (2015: £3,867) in respect of travelling and other expenses incurred on behalf of the charity.

##### b) Payments to Secretary/Treasurer

During the year, the Secretary/Treasurer received fees of £10,358 (2015: £10,155) and was reimbursed for travelling expenses, postage, stationery, telephone and website costs amounting to £3,764 (2015: £2,665).

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

#### 9 FIXED ASSET INVESTMENTS

##### SOCIAL INVESTMENTS LOANS TO CHURCHES

	Programme related investments	
	2016 £	2015 £
Cost		
At 1 January 2016	1,851,425	1,895,336
Additions	1,230,000	409,000
Disposals	(583,637)	(452,911)
Grants	(117,375)	0
At 31 December 2016	2,380,413	1,851,425

##### Concessionary Loan Commitments

At the end of the year, the Trustees had agreed to make £823,000 (2015: £500,000) available as loans to churches. The advancement of any agreed loan may be affected by the availability of liquid funds of this charity and the progress of the projects for which churches had requested the payment of the loan. Some of the agreed loans may not be taken up by the churches during the next twelve months.

# BAPTIST BUILDING FUND

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

### 9 LOANS ADVANCED TO CHURCHES

The following loans were advanced during the year: -

	2016 £	2015 £
Bury	150,000	0
Bushey	250,000	0
Chipping Sodbury	0	150,000
Charlton Kings	0	25,000
Cirencester	150,000	0
Croes-Y-Parc	55,000	0
Culloden	250,000	0
Loughton	0	59,000
Milton Keynes, Shenley	0	150,000
Omagh	250,000	0
Pitlochry, Atholl Centre	60,000	0
Rumney, Alfred Tilly Memorial	15,000	0
Tarporley	50,000	0
Welwyn Garden City	0	25,000
	<b>1,230,000</b>	<b>409,000</b>

### 10 DEBTORS

	2016 £	2015 £
Debtors	550,978	41,146
Prepayments	3,229	3,262
	<b>554,207</b>	<b>44,408</b>

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

	2016 £	2015 £
Accruals for grants payable	137,737	0
Trade creditors	3,792	2,730
Accruals and deferred income	3,458	3,035
	<b>144,987</b>	<b>5,765</b>

### 12 GENERAL FUND

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

## BAPTIST BUILDING FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

#### 13 DESIGNATED FUND

Trustees are concerned about the funding deficit on The Baptist Pension Scheme. They understand that The Baptist Union has established a fund to assist Baptist Churches which are in the process of closing to meet their debts to The Baptist Pension Scheme. Until this issue is resolved, Trustees have decided to place 25% of the sale proceeds of closed churches where this Fund is the beneficiary of the ultimate trust into a Designated Fund to assist The Baptist Union in dealing with this issue if required. No direct liability to The Baptist Pension Scheme is due from this Fund.

#### 14 CAPITAL FUND

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

#### 15 ANALYSIS OF CHARITABLE FUNDS

##### Analysis of fund movements

	Balance brought forward	Income	Expenditure	Transfers	Balance carried forward
	£	£	£	£	£
<b>Unrestricted funds</b>					
General Fund	14,821	26,962	31,330	5,000	15,453
Designated Fund	158,403	0	158,403	137,737	137,737
Capital Fund	3,563,434	550,953	255,112	(142,737)	3,716,538
	<b>3,736,658</b>	<b>577,915</b>	<b>444,845</b>	<b>0</b>	<b>3,869,728</b>

##### Analysis of net assets between funds

	General fund	Designated fund	Capital Fund	Total
	£	£	£	£
Investments	0	0	2,380,413	2,380,413
Current assets	22,703	137,737	1,473,862	1,634,302
	<b>22,703</b>	<b>137,737</b>	<b>3,854,275</b>	<b>4,014,715</b>
Current liabilities	7,250	137,737	0	144,987
	<b>15,453</b>	<b>0</b>	<b>3,854,275</b>	<b>3,869,728</b>

The purpose of each fund is described in notes 12 to 14, and appropriate transfers have been between the funds to fulfil the criteria.

## **BAPTIST BUILDING FUND**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016**

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#### **16 CONTINGENT LIABILITIES**

There were no contingent liabilities at 31 December 2016 or 31 December 2015.

#### **17 CAPITAL COMMITMENTS**

There were no capital commitments at 31 December 2016 or 31 December 2015.

#### **18 POST BALANCE SHEET EVENTS**

Since the balance sheet date, Trustees have introduced a minimum loan amount of £30,000 and will only lend where this Fund is the only or main lender.