



RETIRED BAPTIST MINISTERS
HOUSING ORGANISATION

ANNUAL REPORT 2021

RETIRED BAPTIST MINISTERS HOUSING ORGANISATION

YEAR ENDED 31 DECEMBER 2021

Charity Number: 1177649

REFERENCE AND ADMINISTRATIVE DETAILS

The Retired Baptist Ministers Housing Organisation (also known as RBMHO), is a Charitable Incorporated Organisation, registered with the Charity Commission.

TRUSTEES:	Mr F W Johnston (Chairman) Mr R Barnett Revd M Clay (resigned 15 th April 2021) Mr J Fleet Ms H Harris (appointed 7 th July 2021) Revd D Harvey (resigned 14 th April 2021) Revd G Hindmarch Rev L G Johnson (appointed 7 th July 2021) Revd P Jump Mrs A Kapolyo Revd N Lear (resigned 31 st March 2021) Mr J Levick Ms J Stewart (appointed 7 th July 2021) Rev H Stokley (appointed 7 th July 2021) Ms R Tole (appointed 7 th July 2021) Mr T Walker Mr R I Wilson Revd P J Wortley
PRINCIPAL OFFICE:	Baptist House, 129 Broadway, Didcot, OX11 8RT
REGISTERED NUMBER:	1177649
PROPERTY TRUSTEE	RBMHO Trust Corporation Limited, company number 11400081, registered charity number 1184848, a Company Limited by Guarantee.
AUDITORS:	Moore Kingston Smith LLP, Chartered Accountants, Devonshire House, 60 Goswell Road, London, EC1M 7AD
SOLICITORS:	Browne Jacobson LLP, Castle Meadow Road, Nottingham, NG2 1BJ Royds Withy King LLP, 5-6 Northumberland Buildings, Queen Square, Bath BA1 2JE
BANKERS:	HSBC Plc., 186 Broadway, Didcot, Oxfordshire, OX11 8RP
SURVEYORS:	Berry's Chartered Surveyors, Oak House, 32 Ashby Road, Tove Valley Business Park, Towcester, NN12 6PG
MANAGER:	Mr Stewart Green

INTRODUCTION AND CONTENTS

The Trustees of the Retired Baptist Ministers Housing Organisation (“the Charity”) present their Annual Report together with the audited financial statements for the year ended 31 December 2021 which comply with the Charities Act 2022 and Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102).

The Annual Report and Financial Statements are structured as follows:

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2021

1. OBJECTIVES AND ACTIVITIES

The objects of the Retired Baptist Ministers Housing Organisation (RBMHO, the Charity) are, for the public benefit:

- The prevention or relief of poverty of retired Baptist ministers, retired Baptist missionaries and their spouses, who are in necessitous circumstances, as the charity trustees shall from time to time determine;
- To advance the Christian faith for the public benefit in accordance with the statement of belief of the Baptist denomination;

Since 1975, the Charity and its predecessor entity the Retired Baptist Ministers Housing Society (RBMHS) has sought to provide good-quality, safe, secure and well-maintained homes to those who reached retirement and who had no means of providing a home for themselves and their family.

The activities, assets and liabilities of RBMHS were transferred to RBMHO on 31 December 2018 as the Management Committee and Members of RBMHS felt that a CIO structure was more appropriate to supporting its continuing activities.

The Charity aims to support all applicants for housing who meet its normal qualifying criteria

- Retired Baptist ministers who have served as a Baptist minister accredited by the Baptist Union of Great Britain (BUGB) for at least 15 years
- Retired Baptist ministers who have served as minister of a church in membership of the Baptist Union of Great Britain for at least 18 years
- Retired Baptist Missionaries who have served BMS World Mission primarily outside the UK for at least 15 years
- The surviving spouses of qualifying retired ministers or those who died in active ministry

The Charity also considers applications for support that fall outside of its normal criteria but are deserving of support in the view of the Trustees.

The Charity works in partnership with the Heart of England Baptist Association, Baptist Union of Great Britain (BUGB) and BMS World Mission all of whom have provided properties which the Charity is pleased to manage on their behalf.

No changes to the activities of Charity are planned in the coming year.

2. ACHIEVEMENTS AND PERFORMANCE

The Charity is pleased to record that it was able to provide homes for all of the nine ministers who made applications to RBMHO. In addition, two tenants were relocated to properties more suited to their needs. During the year the Charity acquired 10 properties and disposed of 15. The Charity's stock of properties decreased from 266 to 261. At the end of the period, the Charity was providing homes for 425 (2020: 441) retired ministers and family members. It maintains its properties to a high standard and offers pastoral support to its tenants as far as it is able.

In doing all this, the Charity recognises that it is due, in no small measure, to those individuals, ministers, organisations and churches who have supported and continue to support its continuing work either by prayers, publicity, visits or donations.

During the year, the Charity continued a three-year programme of condition surveys of the Charity's properties with Berry's Chartered Surveyors to ensure that they are in good repair and provide good-quality accommodation for beneficiaries. As at 31 December 2021, approximately 200 (2020: 156) properties have had surveys completed

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2021

3. FINANCIAL REVIEW

The results of the Charity for the year are set out in the accompanying financial statements.

During the reporting period, the minimum monthly rent (July 21-Jun 22) was increased to £187.50 (2020: £185), and the maximum purchase value per property increased to £225,000 (2020: £210,000).

As shown on the Statement of Financial Activities the surplus for the year of £2,693,261 (2020: £1,326,781) has been transferred to reserves, giving total funds carried forward of £37,188,959 (2020: £34,495,698).

Excluding the Family Solution (see below), Income in the year increased to £1,519,281 (2020: £1,349,067), an increase of 12.6%. This was primarily due to another increase in Legacy income to £784,351 (2020: £633,989). Rent income decreased to £655,816 (2020: £678,716) a decrease of 3.4% due to the decreased number of tenants.

Direct costs increased to £624,288 (2020: £566,862) an increase of 10%, driven by an increase in electrical inspections and property repair costs. Support costs decreased to £12,030 (2020: £39,333) following a further decrease in legal and professional fees.

The operating surplus for the year was £882,963 (2020: £742,872), on top of which the Charity made gains on disposal of fixed assets of £1,807,509 (2020: £586,388).

The properties have been included in the financial statements at cost. The Trustees consider that the aggregate value of the properties is not below carrying value.

Family Solution

Since 2018, the Charity has supported the Baptist denomination by participating in the Family Solution to the Baptist Pension Scheme. This involved it taking a loan from Baptist Union Corporation (BUC) of £20m secured against a portion of its property assets and then making an unsecured loan to the Baptist Union of Great Britain (BUGB) of £20m. Both loans are on an interest-only payment basis and have the same interest rate, meaning that the interest income and expense offset each other. The loan from BUC is classified as non-current liability as the terms of the loan agreement mean payment can only be requested with 13-months' notice. The loan to BUGB is classified as a mixed-motive investment under FRS102 as the Trustees have made the loan as part of its commitment to the Baptist denomination Family Solution to the Baptist Pension Scheme at a rate more favourable than BUGB could have obtained commercially. To avoid distorting the operating accounts of the charity, the Trustees have created a Family Solution designated fund to hold both the assets and liabilities involved. This fund showed both income and expenditure of £621,397 in 2021 (2020: £646,672).

Fundraising

The Charity receives donations from organisations (mainly Baptist churches) and donations and legacies from individuals. The charity seeks support from donors via its website and advertising in Baptist publications. The charity does not work with any commercial entities for fundraising purposes and does not undertake any direct marketing activities for fundraising purposes. No complaints were received relating to fundraising in the year.

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2021

Principal Risks and uncertainties

The Trustees of the Charity have identified the following as the principal risks and uncertainties facing the charity:

- **A significant and sustained decrease in legacy income.** The Charity and its predecessor, RBMHS, have built up the asset base of the Charity largely on the basis of the generous gifts left through legacies averaging more than £500,000 per annum in the last decade. Legacies are by their nature erratic but a sustained reduction in legacy income would present a risk to the ability of the Charity fully to meet the needs of future applicants in the long-term. The trustees also believe the Charity could obtain additional borrowing facilities in the short-term to acquire additional properties. The trustees monitor legacy income carefully and would consider taking steps to bring in increased income from other sources if necessary to sustain the ability of the Charity to meet demand.
- **The financial failure of the Baptist Union of Great Britain (BUGB).** As the Charity's major debtor, the Charity is dependent upon BUGB to continue to pay interest on the outstanding loan. The Trustees believe that the failure of BUGB would not present any risk to current tenants, but the charity might not be able to meet the needs of future applicants. The Trustees believe the financial failure of BUGB to be a remote possibility but will monitor its financial position and take any action necessary to protect the interests of the Charity and its beneficiaries.

Reserves Policy

The Charity seeks to maintain access to sufficient available cash reserves on hand to enable it to sustain its day-to-day running costs and respond to the needs of future tenants.

The income from Charitable activities relates to rent from beneficiaries which is highly reliable and generates a surplus over the expenditure on charitable activities, which is also highly predictable in nature. The Trustees are therefore satisfied that only a modest level of reserves of 2 months operating costs is required for day-to-day running costs. This equates to approximately £100k.

The more significant area of reserves required is to ensure that properties can be supplied to qualifying applicants to meet their needs in a timely manner. The Charity does not guarantee to all applicants that it will be able to help, but during its history has never failed to do so for those who meet its eligibility criteria. The Trustees believe it prudent to hold reserves for this purpose amounting to four times the maximum purchase price offered to qualifying applicants. This equates to approximately £840k.

This gives a free reserves requirement of £940k. As at 31 December 2021, the Charity had free reserves of £3,663k, a surplus above the minimum requirement of £2,723k. Should the Trustees see this excess build up substantially, the Trustees anticipate using the surplus to pay down the debts of the Charity.

4. PLANS FOR FUTURE PERIODS

The maximum purchase price remains at £210,000 from 1 January 2022 and the minimum rent will increase to £192.50 from 1 July 2022. The Trustees receive applications for housing up to 5 years in advance and currently have 27 applications for the period 2022-2027. The Trustees are confident of resources being able to meet all qualifying applications in this period.

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2021

5. STRUCTURE GOVERNANCE AND MANAGEMENT

The Charity is governed by a constitution based on the Charity Commission's Foundation Model CIO constitution, which was registered on 22nd March 2018.

The Charity is managed by a board of up to 15 Trustees. Up to 8 Trustees are appointed by BUGB with up to a further 7 co-opted by the Trustees of the Charity.

The Trustees delegate the running of the Charity on a day-to-day basis to the Manager, Mr Stewart Green who has authority to approve standard applications for housing and to approve routine items of expenditure and property repairs. Non-standard applications for housing are referred to the Trustees for consideration.

Induction and Training of Trustees

When new trustees are appointed they are given a briefing by the Manager and the Chair of Trustees on the workings of the Charity. They are provided with the annual report and papers and minutes of recent meetings. Formal training is provided to trustees as appropriate.

6. STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

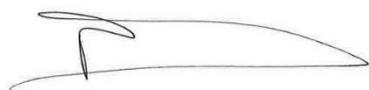
The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP 2015 (FRS 102);
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards 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 accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2022. 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. In so far as the Trustees are aware:

- There is no relevant audit information of which the Charity's auditor is unaware;
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The report of the Trustees was approved on 31 March 2022 and signed on its behalf by:



Mr Richard Wilson

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF RETIRED BAPTIST MINISTERS HOUSING ORGANISATION

Opinion

We have audited the financial statements of Retired Baptist Ministers Housing Organisation for the year ended 31 December 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement 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 FRS 102 'The Financial Reporting Standard Applicable in the UK and 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 period 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 2022.

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 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 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.

Other information

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

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF RETIRED BAPTIST MINISTERS HOUSING ORGANISATION

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 2022 requires us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 5, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2022 and report in accordance with regulations made under section 154 of that Act.

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charity.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charity and considered that the most significant are the Charities Act 2022 and UK financial reporting standards as issued by the Financial Reporting Council.
- We obtained an understanding of how the charity complies with these requirements by discussions with management and those charged with governance.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF RETIRED BAPTIST MINISTERS HOUSING ORGANISATION

- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

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

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

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Chapter 3 of Part 8 of the Charities Act 2022. 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 any party other than the charity and charity's trustees as a body, for our audit work, for this report, or for the opinion we have formed.

Moore Kingston Smith LLP

Date 4 April 2022

Moore Kingston Smith LLP
Devonshire House
60 Goswell Road
London
EC1M 7AD

Moore Kingston Smith LLP is eligible to act as auditor in terms of Section 1212 of the Companies Act 2006.

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2021

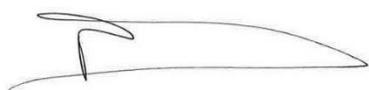
	Note	Unrestricted Funds £	Designated Funds	2021 £	2020 £
Income					
Donations and legacies	2	808,618		808,618	652,546
Charitable activities	3	660,649		660,649	682,320
Investment income	4	50,014	621,397	671,411	660,873
Total Income		1,519,281	621,397	2,140,768	1,995,739
Expenditure					
Charitable activities	5	636,318	621,397	1,257,715	1,252,867
Total Expenditure		636,318	621,397	1,257,715	1,252,867
Net income before gains/(losses) on investments and fixed asset sales					
		882,963	-	882,963	742,872
Net gain/(loss) on investments	10	2,789	-	2,789	(2,479)
Gain on sale of fixed assets		1,807,509	-	1,807,509	586,388
Net movement in funds		2,693,261	-	2,693,261	1,326,781
RECONCILIATION OF FUNDS					
Total funds brought forward		34,495,698	-	34,495,698	33,168,917
Total funds carried forward		37,188,959	-	37,188,959	34,495,698

The notes on pages 12 to 18 form an integral part of these financial statements.

BALANCE SHEET AS AT 31 DECEMBER 2021

	Notes	31 December 2021		31 December 2020	
		£	£	£	£
Fixed assets					
Tangible assets	9	37,612,226		37,292,582	
Investments					
- Quoted investments	10	32,518		29,729	
- Mixed Motive	11	20,000,000		20,000,000	
			57,644,744		57,322,311
Current assets					
Debtors	12	65,937		272,732	
Cash and Bank	13	3,618,431		1,025,810	
		3,684,368		1,298,542	
Current liabilities					
Creditors:					
Amounts falling due within one year	14	(4,140,153)		(4,125,155)	
			(455,785)		(2,826,613)
Creditors:					
Amounts falling after one year	15		(20,000,000)		(20,000,000)
			37,188,959		34,495,698
Net Assets					
THE FUNDS OF THE CHARITY					
General Reserve			37,188,959		34,495,698
Designated Funds			-		-
			37,188,959		34,495,698

The financial statements were approved by the Trustees on 31 March 2022 and were signed on its behalf by:



Mr Richard Wilson

The notes on pages 12 to 18 form an integral part of these financial statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	2020 £
Net income for the reporting period		2,693,261	1,326,781
Adjustments for:			
Net (gains)/loss on investments	10	(2,789)	2,479
Net income before loss on investment		2,690,472	1,329,260
Adjustments for:			
Depreciation	9	6,384	5,896
Dividends and interest from investments	4	(671,411)	(660,873)
Net gain on sale of fixed assets		(1,807,509)	(586,388)
(Increase)/Decrease in debtors		206,795	(267,921)
Increase/(Decrease) in creditors		14,998	109,269
Net cash provided by operating activities		439,729	(70,757)
Cash flows from investing activities			
Dividends and interest from investments	4	671,411	660,873
Proceeds from sale of fixed assets		3,216,955	1,569,299
Purchase of tangible fixed assets		(1,735,474)	(1,894,843)
Net cash generated in investing activities		2,152,892	335,329
Changes in cash and cash equivalents in the year		2,592,621	264,572
Cash and cash equivalents brought forward		1,025,810	761,238
Cash and cash equivalents carried forward	13	3,618,431	1,025,810

NOTES TO THE FINANCIAL STATEMENTS 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) Basis of Accounting

The financial statements have been prepared in accordance with the Charities Statement of Recommended Practice (Charities SORP (FRS 102)), Financial Reporting Standard 102 and the Charities Act 2022. The Retired Baptist Ministers Housing Organisation is a registered charity, no. 1177649, and 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.

(b) Preparation of the financial statements on a going concern basis

The financial statements are prepared on a going concern basis which assumes that the Charity will continue in operational existence for the foreseeable future. The Charity has not been impacted by the Covid-19 pandemic reporting both increased income and surplus for the year, although the minimum monthly rent was frozen at £185 as a gesture of goodwill to tenants. Based on robust income and the reserves held by the charity, the trustees have concluded that there is no material uncertainty as to the Charity's ability to meet its liabilities as they fall due. Accordingly the trustees continue to adopt the going concern basis in the preparation of the financial statements.

(c) Funds Accounting

- **Unrestricted Funds:** General unrestricted funds represent funds which are expendable at the discretion of the Trustees in the furtherance of the objects of the charity and which have not been designated for other purposes. Such funds may be held to finance both working and capital investment.
- **Designated Funds:** These represent amounts set aside by the Trustees for specific purposes. They may be returned to General Funds at the discretion of the Trustees.
- **Restricted Funds:** These represent amounts which have been restricted by the donors for use for specific purposes as set out in note 16.

(d) Income

Income is recognised in the Statement of Financial Activities when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that income will be received, and the amount can be measured reliably.

- Donations are accounted for gross when received.
- Legacies are accounted for at the earlier of the Estate accounts being finalised and notified, and cash received.
- Rental income is accounted for on an accruals basis.
- Investment income is accounted for on an accruals basis.

(e) Expenditure

Expenditure is recognised in the Statement of Financial Activities once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

(f) Tangible fixed assets

Tangible fixed assets are initially measured at cost, or in respect of assets donated, at valuation at the date of the donation. They are subsequently measured at cost or valuation net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful economic lives.

Depreciation is provided on long leasehold properties over the remaining life of the lease.

Freehold properties are generally held by the Charity for an average of 30 years. During the period of ownership, they are maintained by the Charity such that the overall difference between residual values and carrying value are not material and as a result no depreciation is provided on freehold property.

(g) Fixed asset investments

Quoted investments are held for their income generation and investment potential and are valued at market value at the reporting date. Any surplus or deficit arising is included in the Statement of Financial Activities. Investments in subsidiaries are measured at cost less impairment.

Mixed motive investments include concessionary loans. Loans are considered concessionary loans as they are made by the charity at below prevailing market interest rates and to further its purposes. Loans are initially measured at the amount paid, with the carrying amount adjusted subsequently to reflect repayments and any interest receivable. Where any loan made is considered to be irrecoverable an impairment loss is recognised.

(h) Debtors

Prepayments and other debtors are recognised at the settlement amount due. Debtors are measured at their recoverable amount.

(i) Cash at bank and in hand

Cash at bank and in hand includes notice deposits and short-term deposits.

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2021

(j) Creditors

Creditors 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 due to settle the obligation can be measured or estimated reliably. Accruals and other creditors are recognised at their settlement amount due.

Loans are considered concessionary loans received as they are made to the charity to further its purposes and any interest charged is below the prevailing market rates.

Interest free loans represent contributions received towards the cost of properties which are to be repaid when the tenancy is terminated. These are shown as current liabilities as dates of repayment cannot be determined.

(k) Financial instruments

The Charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

(l) Employee benefits

- i. Short term benefits: The Charity recognises an accrual for accumulated annual leave accrued by employees as a result of services rendered in the current period which employees can carry forward and use within the next year. The accrual is measured at the salary cost of the respective employee in relation to the period of absence.
- ii. Defined benefit pension plan: The Charity is not a direct member of a defined benefit pension plan, as its staff are employees of the Baptist Union of Great Britain (BUGB) and it reimburses BUGB for their costs of employment, including their pension costs. BUGB is a participating employer in the Baptist Union Staff Pension Scheme (BUSPS) which is a multi-employer defined benefit scheme. BUGB pays deficit contributions in respect of the Recovery Plan of the deficit in the BUSPS and the Charity makes a contribution towards these costs in respect of the share relating to the staff who worked for the Charity. As this arrangement is informal, no liability has been recorded within the accounts of the Charity but the payments are recognised as expenses when paid.
- iii. Defined contribution pension plans: The Charity is not a direct member of a defined contribution pension plan, as its staff are employees of the Baptist Union of Great Britain (BUGB) and it reimburses BUGB for their costs of employment, including their pension costs. BUGB is a participating employer in the Baptist Pension Scheme which is a multi-employer defined contribution scheme. A defined contribution plan is a pension plan under which the employer pays fixed contributions into a separate entity. Once the contributions have been paid the employer has no further payment obligations.

The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the balance sheet. The assets of the plan are held separately from the employer in an independently administered fund.

(m) Taxation

The Charity is not assessable to taxation.

(n) Judgement and Key Sources of Estimations Uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

- (a) Judgements in applying the entity's accounting policies
The trustees estimate the residual value of freehold property at the end of its expected useful life in order to determine the depreciation charge. Based on these estimates no depreciation is charged on freehold property as any charge would be immaterial.
- (b) Accounting estimates and assumptions
Useful economic lives of tangible assets: The annual depreciation charge of tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 9 for the carrying amount of the fixed assets and note 1(f) for the useful economic lives for each class of assets.

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2021

2. DONATIONS AND LEGACIES

	Unrestricted Funds	Designated Funds	2021	2020
	£	£	£	£
Donations	24,267	-	24,267	18,557
Legacies	784,351	-	784,351	633,989
Total	808,618	-	808,618	652,546

In 2020, all income from donations and legacies was attributable to unrestricted funds.

3. CHARITABLE ACTIVITIES

	Unrestricted Funds	Designated Funds	2021	2020
	£	£	£	£
Rent Received	658,042	-	658,042	678,716
Property Management	2,607	-	2,607	3,604
Total	660,649	-	660,649	682,320

In 2020, all income from charitable activities was attributable to unrestricted funds.

4. INVESTMENT INCOME

	Unrestricted Funds	Designated Funds	2021	2020
	£	£	£	£
UK Listed equities	1,677	-	1,677	524
Interest received	48,337	621,397	669,734	660,349
Total	50,014	621,397	671,411	660,873

In 2020, £646,672 of interest received was in designated funds and £14,201 of interest received was in unrestricted funds. Income from UK Listed Equities was all attributable to unrestricted funds.

5. CHARITABLE ACTIVITIES

	Direct Costs (Note 6)	Support Costs (Note 7)	2021	2020
	£	£	£	£
Charitable expenditure	1,245,686	12,030	1,257,715	1,252,867
	1,245,686	12,303	1,257,715	1,252,867

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2021

6. DIRECT COSTS

	Note	Unrestricted Funds £	Designated Funds £	2021 £	2020 £
Repairs		398,338		398,338	340,572
Rates		6,482		6,482	6,349
Insurance		45,071		45,071	41,968
Ground rents		471		471	2,634
Salaries	8	63,289		63,289	62,661
Legal & professional fees		1,395		1,395	1,680
Loan interest		61,619	621,397	683,016	711,204
Loan fees		6,000		6,000	6,000
Office expenses		33,499		33,499	33,992
Depreciation	9	6,384		6,384	5,896
Other expenditure		1,741		1,741	578
Total		624,288	621,397	1,245,686	1,213,534

In 2020, £646,672 of loan interest was attributable to designated funds and all other expenditure was in unrestricted funds.

7. SUPPORT COSTS

	Unrestricted Funds £	Designated Funds £	2021 £	2020 £
Audit	9,121	-	9,121	12,446
Legal & professional fees	2,909	-	2,909	26,887
Total	12,030	-	12,030	39,333

In 2020 all support costs were attributable to unrestricted funds.

8. EMPLOYEES AND TRUSTEES

	Note	2021 £	2020 £
Staff costs:			
Salaries		53,090	52,564
Social security costs		4,890	4,840
Pension costs	18	5,309	5,256
Total		63,289	62,661

The average number of employees during the period was: 2 2

Employees are employed by the Baptist Union of Great Britain and their associated costs are then recharged to the Charity. No employee received emoluments in excess of £60,000 during the period (2020: £nil). No trustee received emoluments from the Charity during the period (2020: £nil). Expenses totalling £24 (2020: £nil) were reimbursed to trustees from the Charity during the period.

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2021

9. TANGIBLE FIXED ASSETS

	Number of Properties			Freehold £	Book Value	
	Freehold	Leasehold	Total		Leasehold £	Total £
Cost						
Brought forward	256	10	266	36,016,665	1,325,705	37,342,371
Additions	10	-	10	1,735,474	-	1,735,474
Disposals	(15)	-	(15)	(1,409,445)	-	(1,409,445)
Carried Forward	251	10	261	36,342,694	1,325,705	37,668,399
Depreciation						
Brought forward				-	49,789	49,789
Charge for the period				-	6,384	6,384
Disposals				-	-	-
Carried Forward				-	56,173	56,173
Net Book Value						
Carried Forward				36,342,694	1,269,532	37,612,226
Brought Forward				36,016,665	1,275,916	37,292,582

The insured value of the above properties is in excess of the book value.

10. QUOTED INVESTMENTS

	2021 £	2020 £
Listed Investments		
Brought Forward	29,729	32,208
Realised and Unrealised Gains/(Losses)	2,789	(2,479)
Carried Forward	32,518	29,729

11. MIXED MOTIVE INVESTMENTS

	2021 £	2020 £
Family Solution Fund: Loan to Baptist Union of Great Britain	20,000,000	20,000,000
Total	20,000,000	20,000,000

12. DEBTORS

	2021 £	2020 £
Accrued Income	2,683	170,183
Rents Due	54,660	53,042
Amounts due to other Baptist Organisations	5,000	-
Prepayments	3,594	49,507
Total Debtors	65,937	272,732

13. CASH AT BANK AND IN HAND

	2021 £	2020 £
Short Term Deposits		
Deposit – Baptist Union Corporation	3,340,751	955,968
Cash at Bank and in hand	277,680	69,842
Total Cash in Short Term Deposits	3,618,431	1,025,810

Cash has been invested with the Baptist Union Corporation in a deposit account. It bears interest at their standard variable rate.

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2021

14. CREDITORS DUE WITHIN ONE YEAR

	2021 £	2020 £
Accruals	16,344	15,230
Interest free loans	2,146,593	2,103,869
Amounts due to Baptist organisations	-	12,068
BUC Working Capital Loan	1,976,969	1,990,350
Other creditors	247	3,639
Total Creditors Due Within Year	4,140,153	4,125,155

Interest free loans represent contributions received towards the cost of properties which are to be repaid when the tenancy is terminated. These are shown as current liabilities as dates of repayment cannot be determined.

The BUC loan is a working capital loan facility. Interest is payable at their standard variable rate. There are no set repayments, but the Charity can make lump sum repayments when cash flow permits.

15. CREDITORS DUE AFTER MORE THAN ONE YEAR

	2021 £	2020 £
BUC Family Solution Loan	20,000,000	20,000,000
Total Provisions for Liabilities	20,000,000	20,000,000

The BUC Family Solution Loan was provided to RBMHO as part of the Baptist Family Solution to the deficit in the Baptist Pension Scheme. Interest is payable at the BUC standard variable rate. There are no set repayments, but the Charity can make lump sum repayments when cash flow permits. The loan is only repayable with at least 13 months' notice, so is classified as a non-current liability.

16. OTHER RESERVES

	1 Dec 2021 £	Income £	Expenditure £	Gains and (Losses) £	31 Dec 2021 £
Family Solution (Designated)	-	621,397	(621,397)	-	-

The Family Solution fund was designated by the trustees to hold the assets and liabilities relating to RBMHO's participation in the Family Solution for the Baptist Pension Scheme.

17. ANALYSIS OF NET ASSETS

	Tangible Fixed Assets £	Fixed Asset Investments £	Mixed motive Investments £	Net Current Assets £	Long Term Liabilities £	Total £
Designated	-	-	20,000,000	-	(20,000,000)	-
Unrestricted	37,612,226	32,518	-	(455,785)	-	37,188,959
Total	37,612,226	32,518	20,000,000	(455,785)	(20,000,000)	37,188,959

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2021**18. PENSIONS**

As per note 8, the Charity's employees are employed by the Baptist Union of Great Britain (BUGB) and their associated costs are then recharged to the Charity. The Charity is therefore not a direct participating employer within any pension scheme.

From January 2012, pension provision for members of staff is being made by BUGB through the Defined Contribution (DC) Plan within the BPS. In general, members pay 8% of their Pensionable Income and employers pay 6% of members' Pensionable Income into individual pension accounts, which are operated and managed on behalf of the Pension Trustee by Legal and General Life Assurance Society Limited. In addition, the employer pays a further 4% of Pensionable Income to cover Death in Service Benefits, administration costs, and an associated insurance policy which provides income protection for BPS members in the event that they are unable to work due to long-term incapacity. This income protection policy has been insured by the Baptist Union of Great Britain with Unum Limited. Members of the Basic Section of BPS pay reduced contributions of 5% of Pensionable Income, and their employers also pay a total of 5%. These costs are paid by BUGB as the employer and the costs are re-charged to the Charity.

Benefits in respect of service prior to 1 January 2012 were provided through the Defined Benefit (DB) Plan within the Baptist Union Staff Pension scheme (BUSPS). A contract was signed with Aviva Plc in June 2018 to take on the liabilities of the BUSPS to its beneficiaries and a wind up of the BUSPS was formally triggered on 31st August 2018 and completed on 18th September 2019.

The total pension costs for the Charity for 2021 were £5,309 (2020: £5,256).

19. RELATED PARTY TRANSACTIONS

The Baptist Union of Great Britain is considered to be the ultimate controlling party of the Charity. During the year ended 31 December 2020, two Trustees, the Revd P J Wortley and Mrs A Kapolyo, occupied, on the same terms and conditions as the other tenants of the Charity, a property owned by the Charity. During the year ended 31 December 2021, Revd Wortley and Mrs Kapolyo each paid rent at the average rate for all tenants amounting to £2,227 (2020: £2,196) and there were no arrears of rent at that date. The Manager of the Charity occupies a property owned by the Charity on the basis of a full commercial rent.