THE HEART OF ENGLAND BAPTIST ASSOCIATION

England & Wales · Charity number 1080529

Details

Other names	WEST MIDLAND BAPTIST (TRUST) ASSOCIATION (INCORPORATED)
Status	Registered
Legal form	Charitable company
Company number	00238738
Registered	2000-05-03
Register	View on the Charity Commission register

Contact

Address	480 Chester Road Sutton Coldfield West Midlands B73 5BP
Phone	07305 051770
Email	mailbox@baptist-heartofengland.org
Website	www.baptist-heartofengland.org

Activities

Objects: THE ADVANCEMENT OF THE CHRISTIAN FAITH, PARTICULARLY IN THE WEST MIDLANDS AND ESPECIALLY BY THE MEANS OF AND IN ACCORDANCE WITH THE PRINCIPLES OF THE BAPTIST DENOMINATION AS SET OUT FOR THE TIME BEING IN THE DECLARATION OF PRINCIPLE OF THE BAPTIST UNION OF GREAT BRITAIN.

Activities: The prime focus of the Association is to encourage and support Baptist churches in the Greater West Midlands to associate and to encourage each other in their mission objectives according to the principles set out from time to time in the Declaration of Principle of the Baptist Union of Great Britain.

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Classification

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

Geography

- **Area of benefit:** WEST MIDLANDS
- Throughout England

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£536,715	£698,474	£2,775,674	8
2023-12-31	£559,331	£633,641	£2,741,317	8
2022-12-31	£441,131	£632,384	-	-
2021-12-31	£424,681	£647,676	-	-
2020-12-31	£753,492	£723,118	£3,236,247	9

Trustees

Name	Role	Appointed
JUDITH MILLER	Chair	2018-09-20
Christopher Knight		2024-12-06
REV ADRIAN STUART ARGILE		2014-10-01
Rev Antony Bryan Maude PhD		2022-02-02
Rev Claire Helen Ord		2026-06-09
Rev John Alexander Bernard		2024-09-30
Rev Terry Ian Lockyer		2022-10-17
Simon Adrian Jay		2026-03-03
Zoeta Eudora Brown		2026-06-03

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Linked charities

- HEART OF ENGLAND BAPTIST ASSOCIATION LOAN FUND (1080529-1)

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THE HEART OF ENGLAND BAPTIST ASSOCIATION

England & Wales - Charity number 1080529

Accounts

ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

The Heart of England Baptist Association
Registered Charity Number: 1080529 Registered Company Number: 00238738
Registered Office: 480 Chester Road, Sutton Coldfield, B73 5BP

THE HEART OF ENGLAND BAPTIST ASSOCIATION

(A Company Limited by Guarantee)

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THE HEART OF ENGLAND BAPTIST ASSOCIATION

(A Company Limited by Guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2024

The Trustees, who are directors for the purposes of company law, are pleased to present the Annual Report and Financial Statements of the Charitable Company for the year ended 31 December 2024, which are prepared to meet the requirements for a director's report and accounts for Companies Act purposes. References to 'HEBA' throughout this report refer to the Heart of England Baptist Association.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Articles of Association and 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102 – effective 1 January 2019).'

Objectives and Activities

The Objects of this Charitable Company are the advancement of the Christian faith, particularly in the Heart of England and especially by the means of and in accordance with the principles of the Baptist denomination as set out for the time being in the Declaration of Principle of The Baptist Union of Great Britain (BUGB).

The values espoused by the Trustees of the Charitable Company are Companionship, Generosity, Diversity, Learning and Innovation. These values are continually presented to Churches for their encouragement and so that they understand the principles guiding the work of the Charitable Company. The values are presented at events to which Churches are invited, through the regular mailings to Churches, through the work of the HEBA office team and Regional Ministers and on the Trustees' social media outlets and channels. Companionship is the foundational value and is reflected by the Regional Ministers and administration staff through in-person visitation, on-line meetings, email conversations and phone calls. These include one to ones, preaching, leaders' gatherings, Church meetings, weekends, and meetings for a set purpose.

The principal activities of the Charitable Company are the employment of a Regional Ministry and administrative staff team and the organisation of a number of volunteers, working in groups or individually, to offer support and guidance, training and financial resources to advance the Christian faith in a way which benefits Baptist Churches and the communities they serve.

The Charitable Company is part of the family of Baptist organisations serving the needs of many of the Baptist Churches in Great Britain, working particularly closely with the Baptist Union of Great Britain (BUGB). The Charity has a linked Charity, the Heart of England Baptist Association Loan Fund (1080529 -1) and the Trustees are also Trustees of the Umberslade Church Endowment (255061) and Directors of the CST Corporate Trustee Limited (11454313). They are joint Trustee with two individuals of Selly Park Baptist Church Manse Charity (516796).

The Charitable Company aims to:

- co-operate with Churches directly and through working groups by providing information and support and by passing appropriate resolutions to enable building development projects, including Sustainable Energy Funding. Many of these projects are directly aimed at making Church buildings more accessible and available to the local community;
- assist Churches and ministers that are seeking new ministries through the Baptist National Settlement process;
- assist individuals who are exploring a call to any Baptist ministry by signposting various routes to recognised Baptist ministry, interviewing candidates, supporting ministerial candidates and providing BUGB approved training for preachers and pastors;
- make Safeguarding training available on a rolling programme, encouraging and enabling ministers and members of Churches to receive training;
- provide Safeguarding support to Churches when incidents/suspected incidents arise;
- mediate disagreements arising within Churches or between Churches and their local community;
- encourage the HEBA Grants Committee as it continues to seek creative ways of supporting Churches in their mission using Baptist Home Mission and Association funds

- ensure, through its finance group, responsible and effective stewardship of the resources of the Charitable Company;
- encourage Churches to support Baptist Home Mission and BMS World Mission through prayer, direct partnership with mission personnel and financial gifts, so that the Gospel of Jesus Christ can continue to be shared in the UK and abroad;
- co-operate with other Baptist organisations and other denominations where this supports the objects of the Association;
- receive and consider reports from working groups and the Regional Ministers, enabling the Charitable Company to maintain effective governance, including receiving reports on the staff appraisals, budget proposals, safeguarding issues and other work with Churches as appropriate;
- support the staff employed by the Charitable Company through the provision of appropriate training and support, and provision of clear and effective staffing and other policies;
- seek appropriate and timely professional, including legal advice on issues having a potentially wide-ranging effect with a view to understanding and, where possible, mitigating their risk; and
- continue to explore ways in which the Trustee board can become even more effective in governing the Charitable Company and in their strategic planning.

A Trustee, Revd Glenford Gordon, died in position and two Churches closed during the year: Cornerstone Baptist Church in Oswestry and Glebe Farm Baptist Church in Birmingham.

The Trustees were delighted to welcome Mr Chris Knight as Treasurer/Trustee along with Revs John Bernard and Denise Dobie who were also appointed as Trustees. Mrs Joanne Green was appointed Trustee for Safeguarding and Revd Terry Lockyer as Deputy Moderator. The Well fellowship in Herefordshire joined the Association as an Associate Member.

The Trustees reviewed and updated their Investment and their Conflicts of Interest and Loyalty Policies and adopted a new Health & Safety Policy. They further drew up the following new policies and procedures: Lone Working, Investments, Remuneration and Debit Card Use Policies. They have a new draft Data Protection Policy which still requires work to complete.

During the year, the Trustees considered the outcome of their strategic review of the Association, keeping Churches updated on decisions being taken to help the Charity work more effectively and within budget. They held several meetings to consider the future structure of the Association and it was decided not to replace Revd Neil Le Tissier who retires in June 2025. The Trustees agreed to develop and pilot a local Pastoral Ministers Scheme during 2025 to serve our ministers and Churches in accordance with the values of the Association.

They also completed a review of their Articles of Association with the help of their solicitors and proposed a new draft which has been accepted by the Charity Commission and will be put to the Annual General Meeting of the Churches during 2025.

Public Benefit

The Trustees, having regard to the Charity Commission's guidance document, 'public benefit: running a Charity (PB2)', continued to provide public benefit by seeking to advance the Christian faith and practice in accordance with the Objects of the Charitable Company.

The Trustees sought to achieve this in several ways including:

- encouraging Churches to adopt robust safeguarding policies and practice through the provision of training for Church members, ministers and pastors;
- keeping appropriate safeguarding records, including documents kept in long-term secure systems;
- acting to provide help and support to Churches seeking to improve their own governance, projects or buildings;
- holding staff accountable for their support for Churches seeking to advance the Christian faith in their communities;
- funding - in partnership with other organisations - the continued provision of a Baptist minister for deaf and deafened people in Stafford;
- encouraging Churches - through the annual Ministers' Conference, theological reflection days, interaction with Regional Ministers and other staff - to engage effectively and serve God and their local communities; and
- appointing an outside company to support them in maintain Health & Safety in the Association Office.

Achievements and Performance

The Trustees have sought to support their staff as they use the Association Office and in their working practice. Members of the staff team work from the office each Wednesday and other times as appropriate, and use of the office for meetings of groups of volunteers as well as appropriate outside groups has been encouraged and is increasing. The entire staff team was encouraged to take their full annual leave allocation and released for training and occasional spiritual development, which includes a day retreat with the staff team of the East Midlands Baptist Association.

The Trustees support three Regional Ministers (RMs) in their work through the provision of assistance in housing, in training and in permitting them to take sabbatical leave: Revd David Ellis took sabbatical leave during 2024. They also encourage them through prayer and receive appropriate reports as they engage with Church leadership teams, congregations and ministers, including helping with the movement of ministers and pastors and offering mediation and comfort to members and ministers. Each of the Regional Ministers are members of National Baptist Groups and they, along with other staff and volunteers, attended gatherings in person and online during the year.

The Association received the Project Violet Report on the experience of women in Baptist ministry from the Baptist Union (BUGB) sent a written response to BUGB with intended actions arising from the report and began to work through these actions, including the co-option of Revd Denise Dobie to the Board of Trustees to assist the Trustees with this project.

The Trustees also continued to support online and in person training, meetings and conferences for Church members during the year, including a Ministers' Conference, a training day for Church Secretaries, a day for ministers on Church Meetings, a women's conference, two gatherings over lunch for retired ministers, and members of staff and Churches were encourage to attend and support the Baptist Assembly which was held in Telford in May 2024. Three symposiums were held in 2024. These are theological reflection days with newly accredited ministers expected to attend but also open to all those serving as ministers in HEBA Churches.

The Association website manager, Mr Cris Mezei sadly died during the year and a process of review of the website was instigated. The Trustees continued to use their social media channels to encourage Churches and promote the work being done for the Gospel throughout the region.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2024

The Charitable Company, through its Regional Ministers, continued to support ecumenical work across the whole area of the Association, for example, all RMs serve on ecumenical bodies in the region during the year and financial assistance is granted to some ecumenical bodies through the grants group. The Trustees ecumenical and Baptist partners continue to collaborate in supporting the ministry of Revd Susan Myatt, Baptist Minister Amongst the Deaf, financially and through prayer.

In 2024 the Ministerial Recognition Group interviewed two people for full ministerial accreditation and held two second interviews for people completing the nationally recognised pastors (NRP) pathway- both will be presented to the Baptist Assembly in May 2025. The Group interviewed three people on the recognised local minister (RLM) pathway and a celebration was held for three ministers completing their 'newly accredited minister' period and being commended to the Baptist Union to become fully accredited ministers. One newly accredited minister did not complete their training.

The Charitable Company continued to model an organisational culture which prioritises safeguarding through their encouragement and support of Churches to provide a safe and trusted environment for all those they come into contact with, particularly children, young people and Adults at Risk. During 2024, the Charitable Company provided safeguarding training for 645 individuals from 58 Churches/organisations at 29 Level 2 training events and 16 Level 3 training events. Mrs Joanne Green served as Trustee for Safeguarding and Mr Keith Baldwin continued to serve as Safeguarding Officer and also delivered training. The Trustees are grateful to all the volunteer trainers who provide excellent training to the Churches of the Association.

The Charitable Company, through its grants group, provided grants to 15 Churches and projects, 3 grants to individuals and 7 grants to organisations (see appendix 1). Having considered the budgetary constraints of the Association and the need to contract the grant funds available to Churches, the new system of grant application and allocation was instigated during this year.

The work of the grants group is directly overseen by the finance group, which ensured that all funds were being held and spent appropriately. They reviewed budgets at each meeting and oversaw the work of the Budget review group during the year. This work encouraged the Trustees to start a full review of the priorities and structure of the Charitable Company, including a consultation with ministers and Churches. The group was pleased to welcome a new Treasurer, Mr Chris Knight at the end of year, who was affirmed as a Trustee in 2024 and chairs the finance group.

The Charitable Company's bookkeeping service to member Churches continued, and at the end of the year was undertaking bookkeeping for two Churches. The payroll service offered to Churches and projects also continued, and at the end of the year, payroll services were being undertaken for 61 Churches/projects (86 individuals).

The Charitable Company, through its Trust Working Group (TWG), gave consideration and practical assistance to over 33 Churches involved in building purchase, disposal and development; changing their legal structure and amending their structure. It continued to offer support to Churches with dilapidated burial grounds and other property challenges. The Trustees agreed the sale of one of the houses owned by the Association and managed by the Retired Baptist Ministers' Housing Organisation (RBMHO) to the RBMHO.

During the year, the following of the previous year's targets were started/completed:

- undertaking a review to establish the resonance of the strategic priorities, values etc with the member Churches – completed;
- complete review of Terms of Reference of Working Groups – underway;
- focus on our core value of Companionship – an ongoing aim;
- continue working towards reducing the large budget deficit – an ongoing aim;
- board recruitment – an ongoing aim; and
- further develop the Justice Hub, revisiting each area – an ongoing aim.

Risk Review

The Charitable Company continued to review its risk management matrix at least three times a year. The full migration of IT services to the cloud enabled staff to work effectively from home and also reduced the risk posed by having all back up recording on hardware.

Significant risks identified during the year were:

- loss of donors/donor goodwill;
- staff working alone in office or other venues;
- reduced income;
- costs vastly exceeding income;
- not being able to appoint to essential roles;
- key staff suddenly unavailable; and
- safeguarding incident leading to reputational damage.

Financial Review

During 2024 the overall funds of the Association increased by £34,357 to £2,775,674 (2023: £2,741,317).

General fund income was £395,737. Expenditure totalled £590,447 resulting in a loss of £194,710. Net gains on investment assets totalled £196,116 reflecting improved performance in the financial markets during the year. The General Fund at the year end was £607,545 which also reflects a gain on the sale of the freehold property at Clee View Road, Bridgnorth of £31,000.

The Net Movement on Designated Funds was £42,454 surplus of income over expenditure. This was primarily due to the introduction of a new system of grant application and allocation that was introduced during this year. At the year end the total balance of designated funds was £775,988.

Other income and expenditure in the Restricted Funds primarily relate to income and expenditure for the Retired Ministers and Missionaries Housing Fund. There have been no loans from the Heart of England Loan Fund. The net movement across the restricted funds was a slight reduction of £6,990. At the year end the balances across the restricted funds was £1,392,141.

The Association is part of a very complex multi-employer defined benefit pension scheme comprising approximately 1,200 employers. See note 25 in the Financial Statements.

Investment powers, policy and performance

The Trustees have appointed Redmayne Bentley as Investment Managers for the Association's investment portfolio. The managers have discretionary powers to invest in line with the Investment Policy which is classed as medium risk and aims for moderate growth in income whilst at least maintaining capital values over the medium to long term.

Reflecting the ethos of the Association, an ethical investment policy is in place to guide the investment manager. This focuses on positive aspects such as good governance and good working practices as well as excluding sectors which do not fit with the Association's ethos.

During the year, the portfolio return (total return basis) was 10.04%, against the portfolio benchmark return of 6.71%.

The Association continued to maintain substantial balances on notice and term deposits. Most of these funds represent balances held on behalf of Churches where minimal capital risk is important.

Reserves policy

The Trustees consider a reserve of one year's costs is required to ensure a managed exit from all existing agreements and contracts. One year's costs is the total general fund expenditure excluding one off events and including one year of grant funding from the Association's own resources (£0.094m), where grants are expected to be needed beyond the current year. This latter is to reflect commitments, often staff related, which have been entered into by grant receiving Churches. On this basis reserves of £0.650m are required. Excluding fixed assets and restricted funds the Association's free reserves improved from £0.025m in 2023 to £0.109 in 2024. This was as a result of a combination of the sale of a property in the year, an improved investment performance and the implementation of a revised/stricter grants funding policy in line with budget levels. This positive movement is an encouragement and although still below our required level of reserves, it is in line with the Trustees' intentional strategy to utilise the reserves on a managed basis whilst ensuring capacity to generate sufficient funds in the future. During the year, other extenuating events outside of the Association's control, including a reduction in income and continued cost of living pressures, impacted on the Association's finances. The Trustees continue to seek to redress reserves to acceptable levels through the sales of properties, undertaking a review of the future costs and structure of the Association, cash levels and improved investment performance.

Plans for future periods

During 2025, the Charitable Company will seek to continue to fulfil its objects in creative ways that will assist in the advancement of the Christian faith and the enrichment of Church and community life in the Heart of England.

This will include:

- adoption of new Articles;
- piloting of new structure for the Association;
- complete review of the Staff Handbook;
- continue to work on Project Violet; and
- continue to encourage the work of the Justice Groups.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2024

Structure, Governance, Management

The Charitable Company is governed by its Articles of Association and Rules of 20 April 2022.

The Objects of this Charitable Company are the advancement of the Christian faith, particularly in the Heart of England and especially by the means of and in accordance with the principles of the Baptist denomination as set out for the time being in the Declaration of Principle of The Baptist Union of Great Britain.

Trustees' Interests

No Trustee had any beneficial interest in the Charitable Company or in any contract or arrangement of a material nature with the Charitable Company during the year under review. Declarations of Loyalty and Interest are required at the start of every meeting of Trustees and Working Groups and the Association Administrator also asks Trustees to update their written Declarations of Loyalty and Interest on an annual basis.

Recruitment, appointment, induction and training of Trustees

The Charitable Company is run by its Board of Trustees who are also directors. They held seven meetings during 2024.

The Trustees use their skills audit in the process of recruiting new members of the Board out of member Churches. Churches and individuals can nominate prospective Trustees, who are sent copies of the Charitable Company's Articles of Association and its Conflict of Loyalty and Interests policy and are asked to complete and sign the Declaration of Qualification to serve as a Trustee. They usually have a meeting with the Moderator of the Board of Trustees and are advised that appropriate checks will be undertaken to confirm that they are eligible to serve in this capacity. If, after this, they still wish to serve, the Churches of the Association are invited to affirm the nominees by email or letter to the Administrator/Company Secretary. On appointment, they are invited to a formal induction meeting with the Administrator/Company Secretary who signposts essential documents available from the Charity Commission, Companies House and BUGB websites, as well as providing an overview of the activities of the Charitable Company.

The Association Administrator who is also the Company Secretary assisted all Trustees by signposting documents and conferences to help them in their work. This includes circulating information from the Charity Commission, Companies House, some third sector organisations and the Churches' Legislation Advisory Service, and advising them of seminars and training that they could attend.

Trustees as at 31 December 2024

The Moderator and Treasurer are elected annually by the members of the Association.

Mrs Judith Miller	Moderator of the Board of Trustees/Directors
Mr Christopher Knight	Treasurer (Appointed 6 December 2024) Affirmed by the members of the Charitable Company
The Revd Adrian Argile	Regional Minister – Team Leader
The Revd John Bernard	Affirmed by the members of the Charitable Company (Appointed 30 September 2024)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2024

The Revd Denise Dobie	Co-opted by the Trustees (Appointed 26 November 2024)
Mrs Joanne Green	Affirmed by the members of the Charitable Company
The Revd Terry Lockyer	Affirmed by the members of the Charitable Company
The Revd Dr Antony Maude	Affirmed by the members of the Charitable Company
The Revd Amy Wearing	Affirmed by the members of the Charitable Company
Trustees that served during 2024	
The Revd Glenford Gordon	Died 13 January 2024
Mercy Mbajah	Resigned 31 May 2024
The Revd Dr Edward Pillar	Retired 26 September 2024
The Revd Duncan Maclean	Resigned 12 March 2024
Association Information	
Registered Charity Number	1080529
Registered Company Number	00238738
Registered Office	480 Chester Road, Sutton Coldfield, B73 5BP
Other Office Holders:	
Company Secretary/Administrator	Miss Karen Martindale
Regional Ministers serving the Association during 2024	The Revd Adrian Argile
	The Revd David Ellis
	The Revd Neil Le Tissier
Legal Advisors	Shakespeare Martineau, Waterfront House, Waterfront Plaza, Nottingham, NG2 3DQ
Auditor	MHA, The Pinnacle, 150 Midsummer Boulevard, Milton Keynes, MK9 1LZ
Banker	HSBC Bank plc, 6 High Street, Abingdon, Oxfordshire, OX14 5AZ
Stockbrokers/Investment Advisors	Redmayne-Bentley LLP, 9 Bond Court, Leeds, LS1 2JZ

Related Parties

The Charitable Company is a member of the Baptist Union of Great Britain, paying a subscription to this Charity. Funds from the Home Mission Fund, which is the principle working fund of the BUGB, are received by the Charitable Company and dispersed by its grants group.

The Registered Office of the Charitable Company is in property owned by the Charitable Company.

The Charity has a linked Charity, the Heart of England Baptist Association Loan Fund (1080529-1) and the Trustees are also Trustees of the Umberslade Church Endowment (255061) and Directors of the CST Corporate Trustee Limited (11454313). The Trustees are joint Trustee with two individuals of Selly Park Baptist Church Manse (516796).

Key Management personnel remuneration

The Charitable Company consider their key management personnel to be:

The Charitable Company's Board of Trustees

The pay and remuneration of the employees of the Charitable Company is set by the Charitable Company through the Board and its finance group and is based upon the Baptist Home Mission recommended stipend.

Persons of Significant Control (PSC) Register

The Charitable Company has established a Register and there is currently no PSC recorded thereon.

Trustees responsibilities in relation to the financial statements

The Trustees (who are also directors of The Heart of England Baptist Association for the purposes of company law) 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).

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 and of the incoming resources and application of resources, including the income and expenditure, of the Charitable Company 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 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Charitable Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They 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' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2024

In so far as the Trustees are aware:

- there is no relevant audit information of which the Charitable company's auditor is unaware; and
- 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 Auditor, MHA, previously traded through the legal entity MacIntyre Hudson LLP. In response to regulatory changes, MacIntyre Hudson LLP ceased to hold an audit registration with the engagement transitioning to MHA Audit Services LLP.

MHA will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the Board on 22 May 2025.

Signed

J. Miller

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Mrs Judith Miller
Moderator of the Association

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE HEART OF ENGLAND BAPTIST ASSOCIATION

Opinion

We have audited the financial statements of The Heart of England Baptist Association (the 'Charitable Company') for the year ended 31 December 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including 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 2024 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 United Kingdom, including the Financial Reporting Council'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 HEART OF ENGLAND BAPTIST ASSOCIATION (CONTINUED)

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 contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion 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 for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' 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 Trustees' Report.

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

- the information given in the Trustees' Report 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; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE HEART OF ENGLAND BAPTIST ASSOCIATION (CONTINUED)

Responsibilities of Trustees

As explained more fully in the Trustee's Responsibilities Statement, page 9, 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

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

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

- obtaining an understanding of the legal and regulatory frameworks that the Charity operates in, focusing on those laws and regulations that have a direct effect on the financial statements;
- enquiring of management and Trustees around known or suspected instances of non-compliance of laws and regulations and fraud;
- discussing amongst the engagement team regarding how and where fraud might occur in the Charity financial statements and any potential indications of fraud;
- reviewing minutes of meetings of those charged with governance; and
- performing audit work in relation to the risk of management override, including testing of journal entries and other adjustments for appropriateness and reviewing accounting estimates or bias.

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE HEART OF ENGLAND BAPTIST ASSOCIATION (CONTINUED)

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 accept or assume responsibility to anyone other than the Charitable Company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Elizabeth Newell BA (Hons) FCA (Senior Statutory Auditor)

for and on behalf of
MHA

Statutory Auditors

Milton Keynes, United Kingdom

Date:

MHA is the trading name of MHA Audit Services LLP, a limited liability partnership in England and Wales (registered number OC455542).

THE HEART OF ENGLAND BAPTIST ASSOCIATION

(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Income from:					
Donations and legacies	4	**270,857**	**-**	**270,857**	314,386
Charitable activities	5	**52,666**	**-**	**52,666**	57,774
Investments	6	**191,684**	**6,448**	**198,132**	174,308
Other income	7	**15,060**	**-**	**15,060**	12,863
Total income		**530,267**	**6,448**	**536,715**	559,331
Expenditure on:					
Raising funds	8,9	**141,021**	**-**	**141,021**	126,619
Charitable activities	10	**541,502**	**15,951**	**557,453**	507,022
Total expenditure		**682,523**	**15,951**	**698,474**	633,641
Net gains on investments	16	**196,116**	**-**	**196,116**	109,310
Net income/(expenditure)		**43,860**	**(9,503)**	**34,357**	35,000
Transfers between funds	20	**(2,513)**	**2,513**	**-**	-
Net movement in funds		**41,347**	**(6,990)**	**34,357**	35,000
Reconciliation of funds:					
Total funds brought forward		**1,342,186**	**1,399,131**	**2,741,317**	2,706,317
Net movement in funds		**41,347**	**(6,990)**	**34,357**	35,000
Total funds carried forward		**1,383,533**	**1,392,141**	**2,775,674**	2,741,317

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 19 to 45 form part of these financial statements.

THE HEART OF ENGLAND BAPTIST ASSOCIATION

(A Company Limited by Guarantee)
REGISTERED NUMBER: 00238738

BALANCE SHEET
AS AT 31 DECEMBER 2024

	Note		2024 £		2023 £
Fixed assets					
Tangible assets	15		**1,163,210**		1,316,374
Investments	16		**3,234,867**		2,931,484
			4,398,077		4,247,858
Current assets					
Debtors	17	**197,068**		150,856	
Investments	18	**1,258,380**		910,343	
Cash at bank and in hand	23	**366,489**		801,502	
		1,821,937		1,862,701	
Creditors: amounts falling due within one year	19	**(3,444,340)**		(3,369,242)	
Net current liabilities			**(1,622,403)**		(1,506,541)
Total assets less current liabilities			**2,775,674**		2,741,317
Total net assets			**2,775,674**		2,741,317
Charity funds					
Restricted funds	20		**1,392,141**		1,399,131
Unrestricted funds	20		**1,383,533**		1,342,186
Total funds			**2,775,674**		2,741,317

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2024

The Trustees acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

J. Miller
.....
Mrs Judith Miller
Trustee and Moderator of the Association

Date: 22nd May 2025

The notes on pages 19 to 45 form part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024

	2024 £	2023 £
Cash flows from operating activities		
Net cash used in operating activities (note 22)	**(351,529)**	772,447
Cash flows from investing activities		
Dividends, interests and rents from investments	**198,132**	174,308
Proceeds from the sale of tangible fixed assets	**180,000**	300,000
Purchase of tangible fixed assets	**(1,594)**	(6,335)
Proceeds from sale of investments	**229,802**	111,082
Purchase of investments	**(234,380)**	-
Net cash provided by investing activities	**371,960**	**579,055**
Change in cash and cash equivalents in the year	**20,431**	**1,351,502**
Cash and cash equivalents at the beginning of the year	**1,952,296**	600,794
Cash and cash equivalents at the end of the year (note 23)	**1,972,727**	1,952,296

The notes on pages 19 to 45 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

1. General information

The Heart of England Baptist Association is a private Company (limited by guarantee) incorporated in England and Wales, registration number 00238738, and is also a registered Charity in England and Wales, registration number 1080529. The registered office is 480 Chester Road, Sutton Coldfield, Birmingham, B73 5BP.

The principal activities of the Charitable Company are the employment of a Regional Ministry and administrative staff team and the involvement of a number of volunteers, working in groups or individually, to offer support and guidance, training and financial resources to advance the Christian faith in a way which benefits Baptist churches and the communities they serve.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Heart of England Baptist Association meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The financial statements are prepared in British Pound Sterling (£), which is the functional and presentational currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest £.

The Charity has taken exemption from the requirement to prepare consolidated financial statements on the grounds that the subsidiary is immaterial to the Group.

2.2 Company status

The Company is limited by guarantee. The members of the Company are the Trustees named on pages 7 and 8. In the event of the Company being wound up, the liability in respect of the guarantee is limited to £1 per member of the Company.

2.3 Going concern

The financial statements have been prepared on a going concern basis. The Trustees have considered budgets, cash flows and the impact of subsequent event. The Trustees are satisfied that the Charity has sufficient available resources, both in terms of cash and investments that can be converted to cash, such that there is no material uncertainty and the going concern basis of preparing the financial statements continues to be appropriate.

2. Accounting policies (continued)

2.4 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the Charity has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the Charity, can be reliably measured.

Donated services or facilities are recognised when the Charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the Charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102).

On receipt, donated professional services and facilities are recognised on the basis of the value of the gift to the Charity which is the amount it would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

2.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Support costs are those costs incurred directly in support of expenditure on the objects of the Company.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

All expenditure is inclusive of irrecoverable VAT.

2. Accounting policies (continued)

2.5 Expenditure (continued)

Expenditure on raising funds includes all expenditure incurred by the Charity to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

2.6 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the bank.

2.7 Taxation

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a Charitable Company for UK corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

2.8 Tangible fixed assets and depreciation

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

At each reporting date the Charity assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined to be the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

No value is attributed to burial grounds owned by the Company as the original cost is not known and due to the nature of the asset it is not considered possible to determine a fair value.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

Depreciation is provided on the following basis:

Freehold property	-	2%	Straight-line*
Fixtures and fittings	-	10%	Straight-line
Computer equipment	-	33%	Straight-line

* The depreciation charge for freehold property is £nil due to the residual value of the properties being assessed at a value at least equal to cost.

No depreciation is charged on the freehold land.

2. Accounting policies (continued)

2.9 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'gains/(losses) on investments' in the Statement of Financial Activities.

2.10 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Loans to churches are concessionary loans made in furtherance of the Charity's purposes. Loans are recognised at cost as adjusted for any repayments made less impairment.

2.11 Cash at bank and in hand

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

2.12 Liabilities and Provisions

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of Financial Activities as a finance cost.

2.13 Financial instruments

The Charity only has financial assets and financial 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.

2.14 Operating leases

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight-line basis over the lease term.

2. Accounting policies (continued)

2.15 Pensions

The Charity participates in a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Charity pays fixed contributions into a separate entity. Once the contributions have been paid the Charity has no further payment obligations. The contributions are recognised as an expenditure 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 Charity in an independently administered fund.

Prior to 2012, the pension provision was made through two multi-employer defined benefit pension plans. Where it is not possible for the Charity to obtain sufficient information to enable it to account for a plan as a defined benefit plan, it accounts for the plan as a defined contribution plan. Where the plan is in deficit and where the Charity has agreed, with the plan, to participate in a deficit funding arrangement, the Charity recognised a liability for this obligation. The amount recognised is the net present value of the contributions payable under the agreement that relate to the deficit. This amount is expensed in the Statement of Financial Activities.

2.16 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

3. Critical accounting estimates and areas of judgement

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.

Judgements in applying the entity's accounting policies:

Multi-employer defined benefit pension schemes - certain employees participate in multi-employer defined benefit pension schemes with other organisations. In the judgement of the Trustees, the Charity does not have sufficient information on the plan assets and liabilities to be able to reliably account for its share of the defined benefit obligation and plan assets. Therefore the schemes are accounted for as defined contribution schemes.

3. Critical accounting estimates and areas of judgement (continued)

Critical accounting estimates and assumptions:

Multi-employer defined benefit pension scheme - the Charity has an obligation to pay a deficit funding arrangement in respect of two-multi employer defined benefit pension schemes (Baptist Pension Scheme and Baptist Union Staff Pension Scheme). The present value of the obligation depends on a number of factors including the RPI rate and the discount rate on corporate bonds. Management estimates these factors in determining the new pension obligation in the Balance Sheet.

Useful economic lives and residual values of tangible assets - the annual depreciation charge of tangible assets is sensitive to changes in the estimated useful economic lives and the 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 economic utilisation, physical condition and future investments of assets.

4. Income from donations and legacies

	Unrestricted funds 2024 £	**Total funds 2024 £**
Donations	1,796	**1,796**
Home Mission Fund Grant	134,531	**134,531**
Home Mission Grant for mission	134,530	**134,530**
	270,857	**270,857**

	Unrestricted funds 2023 £	Total funds 2023 £
Donations	62,202	62,202
Home Mission Fund Grant	118,526	118,526
Home Mission Grant for mission	133,658	133,658
	314,386	314,386

5. Income from charitable activities

	Unrestricted funds 2024 £	Total funds 2024 £
Minister's Conference	12,600	**12,600**
Other activities	40,066	**40,066**
Total 2024	52,666	**52,666**

	Unrestricted funds 2023 £	Total funds 2023 £
Minister's Conference	13,934	13,934
Other activities	43,840	43,840
Total 2023	57,774	57,774

6. Investment income

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £
Retired Minister Housing Income	5,580	6,328	**11,908**
Dividends and bond interest	186,104	-	**186,104**
Interest on loans	-	120	**120**
Total 2024	191,684	6,448	**198,132**

6. Investment income (continued)

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Retired Minister Housing Income	-	8,865	8,865
Dividends and bond interest	165,123	-	165,123
Interest on loans	-	320	320
Total 2023	165,123	9,185	174,308

7. Other incoming resources

	Unrestricted funds 2024 £	**Total funds 2024 £**
Payroll service	12,444	**12,444**
Other activities	2,616	**2,616**
Total 2024	15,060	**15,060**

	Unrestricted funds 2023 £	Total funds 2023 £
Payroll service	11,361	11,361
Other activities	1,502	1,502
Total 2023	12,863	12,863

8. Expenditure on raising funds

	Unrestricted funds 2024 £	Total funds 2024 £
Payroll scheme expenses	9,211	**9,211**
Interest on funds held for churches	113,048	**113,048**
Total 2024	122,259	**122,259**

	Unrestricted funds 2023 £	Total funds 2023 £
Payroll scheme expenses	10,026	10,026
Interest on funds held for churches	99,804	99,804
Total 2023	109,830	109,830

9. Investment management costs

	Unrestricted funds 2024 £	Total funds 2024 £
Investment management fees	18,762	**18,762**

9. Investment management costs (continued)

	Unrestricted funds 2023 £	Total funds 2023 £
Investment management fees	16,789	16,789

10. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2024 £	**Restricted funds 2024 £**	**Total 2024 £**
Regional Ministry Team	180,596	-	**180,596**
Grants	93,236	-	**93,236**
Subscriptions	6,154	-	**6,154**
Minister's Conference	16,199	-	**16,199**
Association Activities	245,317	15,951	**261,268**
Total 2024	541,502	15,951	**557,453**

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Regional Ministry Team	164,485	-	164,485
Grants	139,015	12,517	151,532
Subscriptions	6,440	-	6,440
Minister's Conference	14,498	-	14,498
Association Activities	152,219	17,848	170,067
Total 2023	476,657	30,365	507,022

11. Analysis of expenditure by activities

	Activities undertaken directly 2024 £	Grant funding of activities 2024 £	Support costs 2024 £	Total funds 2024 £
Regional Ministry Team	180,596	-	-	**180,596**
Grants	-	93,236	-	**93,236**
Subscriptions	6,154	-	-	**6,154**
Minister's Conference	16,199	-	-	**16,199**
Association Activities	15,951	-	245,317	**261,268**
Total 2024	218,900	93,236	245,317	**557,453**

	Activities undertaken directly 2023 £	Grant funding of activities 2023 £	Support costs 2023 £	Total funds 2023 £
Regional Ministry Team	164,485	-	-	164,485
Grants	-	151,532	-	151,532
Subscriptions	6,440	-	-	6,440
Minister's Conference	14,498	-	-	14,498
Association Activities	17,848	-	152,219	170,067
Total 2023	203,271	151,532	152,219	507,022

A detailed analysis of grants paid during the year is included at Appendix 1.

11. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Regional Ministry Team 2024 £	Subscriptions 2024 £	Minister's Conference 2024 £	Association Activities 2024 £	Total funds 2024 £
Staff costs	146,796	-	-	-	**146,796**
Minister's conference	-	-	16,199	-	**16,199**
Regional Ministry Team	33,800	-	-	-	**33,800**
Subscriptions	-	6,154	-	-	**6,154**
Association activities	-	-	-	15,951	**15,951**
Total 2024	180,596	6,154	16,199	15,951	**218,900**

	Regional Ministry Team 2023 £	Subscriptions 2023 £	Minister's Conference 2023 £	Association Activities 2023 £	Total funds 2023 £
Staff costs	128,648	-	-	-	128,648
Minister's conference	-	-	14,498	-	14,498
Regional Ministry Team	35,837	-	-	-	35,837
Subscriptions	-	6,440	-	-	6,440
Association activities	-	-	-	17,848	17,848
Total 2023	164,485	6,440	14,498	17,848	203,271

11. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2024 £	Total funds 2023 £
Staff costs	**133,609**	122,670
Depreciation	**5,758**	6,444
Payroll scheme expenses	**3,813**	1,552
Premises costs and administration	**22,043**	17,746
Other staff costs including training	**15,478**	17,086
Property	**7,266**	657
Working groups	**1,554**	1,371
IT	**8,685**	9,725
Board expenses	**156**	675
Legal and professional	**11,430**	15,062
Other	**45,275**	29,431
Audit and accountancy fees	**21,250**	19,800
Profit on disposal of fixed asset held for sale	**(31,000)**	(90,000)
	245,317	152,219

12. Auditor's remuneration

The auditor's remuneration amounts to an auditor fee of £17,750 (2023: £16,500), and non audit services of £3,710 (2023: £3,300).

13. Staff costs

	2024 £	2023 £
Wages and salaries	**236,641**	212,372
Social security costs	**17,633**	15,031
Pension costs (note 25)	**26,131**	23,915
	280,405	251,318

13. Staff costs (continued)

The average number of persons employed by the Charity during the year was as follows:

	2024	2023
	No.	No.
	8	8

No employee received remuneration amounting to more than £60,000 in either year.

During the year The Rev Adrian Argile, a Trustee of the Charitable Company, received remuneration for his role as Regional Minister Team Leader and travel expenses in connection with that role. He was not remunerated for Trustee duties. The cost to the Charity of the remuneration (gross pay plus employer's national insurance and pension) was £54,308 (2023: £45,038) and expenses were £3,607 (2023: £3,395).

Key Management Personnel of the Charity are considered to be the Trustees. No other Trustee received any remuneration.

14. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2023: Nil), except as disclosed above.

During the year ended 31 December 2024, expenses totalling £861 were reimbursed or paid directly to 2 Trustees (2023: £675 to 5 Trustees).

15. Tangible fixed assets

	Freehold property £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation				
At 1 January 2024	**1,301,733**	**23,918**	**18,276**	**1,343,927**
Additions	**-**	**-**	**1,594**	**1,594**
Disposals	**(149,000)**	**-**	**-**	**(149,000)**
At 31 December 2024	**1,152,733**	**23,918**	**19,870**	**1,196,521**
Depreciation				
At 1 January 2024	**-**	**13,252**	**14,301**	**27,553**
Charge for the year	**-**	**2,267**	**3,491**	**5,758**
At 31 December 2024	**-**	**15,519**	**17,792**	**33,311**
Net book value				
At 31 December 2024	**1,152,733**	**8,399**	**2,078**	**1,163,210**
At 31 December 2023	1,301,733	10,666	3,975	1,316,374

16. Fixed asset investments

	Listed investments £	Other fixed asset investments £	Total £
Cost or valuation			
At 1 January 2024	**2,691,033**	**240,451**	**2,931,484**
Additions	**234,380**	**337,077**	**571,457**
Disposals	**(229,802)**	**(229,670)**	**(459,472)**
Revaluations	**191,398**	**-**	**191,398**
At 31 December 2024	**2,887,009**	**347,858**	**3,234,867**

16. Fixed asset investments (continued)

All fixed asset investments are held in the UK.

Subsidiary undertaking:

The CST Corporate Trustee Limited (Company number 11454313), a Company limited by guarantee, is a subsidiary by virtue of the Charity being the sole member.

Its sole purpose is to act as a corporate Trustee in respect of the assets of the Cannon Street Trust.

The subsidiary is not material to the Group and has therefore not been included in the financial statements.

17. Debtors

	2024 £	2023 £
Trade debtors	**14,498**	8,265
Other debtors	**117,499**	122,599
Prepayments and accrued income	**65,071**	19,992
	197,068	150,856

Included within other debtors are loans to churches of £117,499 (2023: £122,599) which are generally expected to be received after one year.

18. Current asset investments

	2024 £	2023 £
Deposits held on behalf of churches	**1,258,380**	910,343

19. Creditors: Amounts falling due within one year

	2024 £	2023 £
Trade creditors	**4,656**	1,119
Other taxation and social security	**12,400**	9,686
Other creditors	**3,414,232**	3,354,606
Accruals and deferred income	**13,052**	3,831
	3,444,340	3,369,242

19. Creditors: Amounts falling due within one year (continued)

	2024	2023
	£	£

Included within other creditors is an amount of £3,414,232 (2023: £3,354,606) held on behalf of certain churches and the Cannon Street Trust. The churches are required to give due notice before withdrawal of these amounts.

20. Statement of funds

Statement of funds - current year

	Balance at 1 January 2024 £	Income £	Expenditure £	Transfers in/(out) £	Gains/ (losses) £	Balance at 31 December 2024 £
Designated funds						
Church Resources Fund	41,634	-	(3,000)	-	-	38,634
Minister's Resources Fund	33,055	-	(1,000)	-	-	32,055
Regional Ministry Fund	186,543	-	-	-	-	186,543
Mission Development	336,086	-	(35,507)	81,961	-	382,540
Monkspath Fund	90,387	-	-	-	-	90,387
Mission Grant Funds	-	134,530	(52,569)	(81,961)	-	-
Pension reserve	45,829	-	-	-	-	45,829
	733,534	134,530	(92,076)	-	-	775,988
General funds						
General Funds	608,652	395,737	(590,447)	(2,513)	196,116	607,545
Total Unrestricted funds	1,342,186	530,267	(682,523)	(2,513)	196,116	1,383,533

20. Statement of funds (continued)

	Balance at 1 January 2024 £	Income £	Expenditure £	Transfers in/(out) £	Gains/ (losses) £	Balance at 31 December 2024 £
Restricted funds						
Heart of England Loan Fund	**850,863**	**-**	**-**	**-**	**-**	**850,863**
Retired Ministers & Missionaries Housing Fund	**529,554**	**6,328**	**(13,318)**	**-**	**-**	**522,564**
Westmancote Baptist Trust	**12,390**	**-**	**-**	**-**	**-**	**12,390**
Benevolent Fund	**-**	**120**	**(2,633)**	**2,513**	**-**	**-**
Flood Fund	**6,324**	**-**	**-**	**-**	**-**	**6,324**
	1,399,131	**6,448**	**(15,951)**	**2,513**	**-**	**1,392,141**
Total of funds	**2,741,317**	**536,715**	**(698,474)**	**-**	**196,116**	**2,775,674**

20. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 January 2023 £	Income £	Expenditure £	Transfers in/(out) £	Gains/ (losses) £	Balance at 31 December 2023 £
Designated funds						
Church Resources Fund	41,634	-	-	-	-	41,634
Minister's Resources Fund	34,643	-	(1,588)	-	-	33,055
Regional Ministry Fund	186,543	-	-	-	-	186,543
Mission Development	346,793	-	(60,778)	50,071	-	336,086
Monkspath Fund	90,387	-	-	-	-	90,387
Mission Grant Funds	-	133,658	(74,399)	(59,259)	-	-
Pension reserve	45,829	-	-	-	-	45,829
	745,829	133,658	(136,765)	(9,188)	-	733,534
General funds						
General Funds	563,912	416,488	(466,511)	(14,547)	109,310	608,652
Total Unrestricted funds	1,309,741	550,146	(603,276)	(23,735)	109,310	1,342,186

20. Statement of funds (continued)

	Balance at 1 January 2023 £	Income £	Expenditure £	Transfers in/(out) £	Gains/ (losses) £	Balance at 31 December 2023 £
Restricted funds						
Atch Lench Baptist Trust	1,748	-	(10,936)	9,188	-	-
Heart of England Loan Fund	850,863	-	-	-	-	850,863
Helen Youth Fund	1,581	-	(1,581)	-	-	-
Retired Ministers & Missionaries Housing Fund	523,451	8,865	(2,762)	-	-	529,554
Westmancote Baptist Trust	12,390	-	-	-	-	12,390
Benevolent Fund	219	320	(15,086)	14,547	-	-
Flood Fund	6,324	-	-	-	-	6,324
	1,396,576	9,185	(30,365)	23,735	-	1,399,131
Total of funds	2,706,317	559,331	(633,641)	-	109,310	2,741,317

21. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £
Tangible fixed assets	1,163,210	-	**1,163,210**
Fixed asset investments	3,234,867	-	**3,234,867**
Current assets	(2,984,436)	4,806,373	**1,821,937**
Creditors due within one year	(30,108)	(3,414,232)	**(3,444,340)**
Total 2024	1,383,533	1,392,141	**2,775,674**

Analysis of net assets between funds - prior period

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Tangible fixed assets	1,316,374	-	1,316,374
Fixed asset investments	2,931,484	-	2,931,484
Current assets	(2,891,036)	4,753,737	1,862,701
Creditors due within one year	(14,636)	(3,354,606)	(3,369,242)
Total 2023	1,342,186	1,399,131	2,741,317

22. Reconciliation of net movement in funds to net cash flow from operating activities

	2024 £	2023 £
Net income for the year (as per Statement of Financial Activities)	**34,357**	35,000
Adjustments for:		
Depreciation charges (note 15)	**5,758**	6,444
Gains on investments (note 16)	**(191,398)**	(109,310)
Dividends, interests and rents from investments (note 6)	**(198,132)**	(174,308)
Profit on the sale of fixed assets (note 11)	**(31,000)**	(90,000)
(Increase)/decrease in debtors (note 17)	**(46,212)**	3,535
Increase in creditors (note 19)	**75,098**	1,101,086
Net cash provided by operating activities	**(351,529)**	772,447

23. Analysis of cash and cash equivalents

	2024 £	2023 £
Cash in hand	**366,489**	801,502
Notice deposits (less than 3 months)	**1,606,238**	1,150,794
Total cash and cash equivalents	**1,972,727**	1,952,296

24. Analysis of changes in net debt

	At 1 January 2024 £	Cash flows £	At 31 December 2024 £
Cash at bank and in hand	**801,502**	**(435,013)**	**366,489**
Liquid investments	**1,150,794**	**455,444**	**1,606,238**
	1,952,296	**20,431**	**1,972,727**

25. Pension commitments

The Association is a participating employer the Baptist Pension Scheme ("the Scheme"), which is a separate legal entity administered by the Pension Trustee (Baptist Pension Trust Limited). The assets of the Scheme are held separately from those of the Employer and the other participating employers.

The Scheme, previously known as the Baptist Ministers' Pension Fund, started in 1925, but was closed to future accrual of defined benefits on 31 December 2011. Prior to this date the main benefit provided through the Defined Benefit (DB) Plan was a pension of one eightieth of final minimum pensionable income for each year of pensionable service together with additional pension in respect of premiums paid on Pensionable Income in excess of Minimum Pensionable Income.

From January 2012, pension provision is being made through the Defined Contribution (DC) Plan within the Scheme. 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 Broadstone Corporate Benefits Ltd. 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 Scheme members if 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 Aviva Limited. Members of the Basic Section pay reduced contributions of 5% of Pensionable Income, and their employers also pay a total of 5%.

The Scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. Because it is not possible to attribute the Scheme's assets and liabilities to specific employers, the scheme is accounted for as if the Scheme were a defined contribution scheme.

The Regional Ministers and members of the Association staff team are eligible to join the Scheme.

The table below summarises the main results of the most recent actuarial valuations of the BUSPS and the Defined Benefit (DB) Plan in the BPS. These valuations were performed by a professionally qualified Actuary using the Projected Unit Method:

	BPS DB Plan	BUSPS
Date of valuation	31 December 2019	1 January 2017
Date of next valuation	31 December 2022	N/A scheme is in wind-up
Market value of scheme assets (A)	£298m	£10.3m
Technical provisions (B)	£316m	£16.2m
Deficit [(B) - (A)]	£18m	£5.9m
Funding level [(A) / (B)]	94%	64%

25. Pension commitments (continued)

Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability. The movement in the provision is set out in the table below.

Recovery Plan

In addition to the contributions to the DC Plan set out above, where a valuation of the DB Plan reveals a deficit the Trustee and the Council agree to a rate of deficiency contributions from churches and other employers involved in the DB Plan. Following the 2019 valuation a Recovery Plan was signed in September 2020 under which deficiency contributions are payable until June 2026. These contributions were broadly based on each employer's membership at 31 December 2014 and increase annually in line with increases to Minimum Pensionable Income as defined in the Rules.

On 30th June 2022 the Baptist Pension Scheme signed an agreement with the insurance company Just Group ("Just") to secure DB Plan members' pension benefits. Just are now providing financial backing for all pensions provided through the Scheme's DB Plan and following this transaction, the Scheme no longer has a shortfall. An updated Recovery plan was then signed in August 2022 under which recovery contributions from each participating employer in the DB Plan reduced to £1 per month from August 2022.

The Baptist Pension Scheme, pension authorities and actuaries met in December 2023 and confirmed a statement of contributions has been agreed and there is no deficit in the plan.

The key financial assumptions underlying the valuations were as follows:

Type of assumption	**BPS % pa**	BUSPS % pa
RPI price inflation assumption	**3.20**	3.45
CPI price inflation assumption	**2.70**	2.70
Minimum Pensionable Income Increases (BPS only)	**0.50**	N/A
Pensionable Salary increase (BUSPS only)	**N/A**	3.70
Assumed investment returns		
- Pre-retirement	**2.95**	3.50
- Post retirement	**1.70**	2.25
Deferred pension increases		
- Pre April 2009	**3.20**	3.45
- Post April 2009	**2.50**	2.50
Pension increases		
- Pre April 2006	**2.70**	3.25
- Post April 2006	**2.70**	2.15

25. Pension Commitments (Continued)

Mortality is assumed in accordance with 80% of the S3NA standard mortality table. Future improvements projected from 2013 in line with the "CMI 2019" projection with a long-term rate of improvement of 1.75% p.a. for males and 1.5% p.a. for females with the core smoothing parameter and with additional initial mortality improvement factor A=0.5%.

The next actuarial valuation of the DB Plan within the Scheme was due to take place not later than as at 31 December 2022. However, the DB Plan is to be wound up, and the process to wind it up was started with effect from 31 March 2024 and therefore no formal valuation is due to take place.

As there are numbers of contributing employers participating in both the BPS and the BUSPS, the Charity is unable to identify its share of the underlying assets and liabilities of the schemes. Accordingly, the SoFA charge for the year represents the employer contributions payable. The total pension cost for the Charity in the year were £26,131 (2023: £23,915) for the BPS.

26. Operating lease commitments

At 31 December 2024 the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2024	2023
	£	£
Not later than 1 year	**1,242**	1,656
Later than 1 year and not later than 5 years	**-**	1,242
	1,242	2,898

27. Related party transactions

The Charity is a member of the Baptist Union of Great Britain and is in receipt of grants from the Home Mission Fund which is part of the Baptist Union. Grants of £269,060 (2023: £242,700) were received in this respect.

Trustees of the Charity are drawn from the membership of the local Baptist Churches and there are therefore, from time to time, grant awards made to benefit either the individual or the church. There is a formal process in relation to grant applications which helps to ensure that any conflict of interest is mitigated by the exclusion of the conflicted individual in the decision making process.

The CST Corporate Trustee Limited

The CST Corporate Trustee Limited is a trust corporation constituted as a Company limited by guarantee of which The Heart of England Baptist Association is the sole member and director.

Included within other creditors is an amount of £1,380,579 (2023: £1,352,670) held on behalf of the Cannon Street Trust.

The Cannon Street Baptist Chapel Trust

The following church buildings, all within Birmingham, except Smethwick, are held on the CST (1877) according to the terms of that Trust. The buildings are occupied by the churches on the equivalent of fully insuring and repairing leases at a peppercorn rent. The 'leases' expire when the churches no longer require the property.

Birmingham Central Baptist Church
Cannon Street Memorial Church
Castle Bromwich Baptist Church and Manse
Church of the Redeemer
City Road Baptist Church
People's Chapel and Manse
Small Heath Baptist Church
Smethwick Baptist Church

Umberslade Endowment Charity

The Trustees of The Heart of England Baptist Association are also Trustees of the above named Charity which is registered with the Charity Commission. There are no transactions between the two entities but The Heart of England Baptist Association oversees the activity of the Charity.

28. Controlling party

The Charity is ultimately controlled by the Board of Trustees.

29. Company limited by guarantee

The Charity is a Company limited by guarantee and does not have share capital.

THE HEART OF ENGLAND BAPTIST ASSOCIATION

Appendix 1 - Grants Paid during the year (includes Subscriptions and Ministry among Deaf expenses)

Grants to Churches	Unrestricted	Designated from Missions Grant	Designated	Restricted	2024 Total	2023 Total	
Baddeley Edge					0	9143	
Bearwood					0	1000	
Black Country Urban Industrial Mission		3094			3094	6188	
Castle Bromwich		12367			12367	4417	
Chorley Chapel			1000		1000	0	
Cookhill			1000		1000	0	
Chelmsley Wood					0	1325	
Darkhouse		2000			2000	5963	
Delves, Walsall		5000			5000	6625	
Ewyas Harold					0	2267	
Far Forest		7567			7567	16404	
Gateway to Hope		7000			7000	0	
George Road Community Church		3000			3000	6625	
Glebe Farm Pioneer		4290			4290	16404	
Keele University LEP		6600			6600	6000	
Limbrick Wood Pioneer		10000			10000	0	
Limbrick Wood, Coventry			1000		1000	0	
Rising Brook re. Pioneer Grant					0	5000	
Six Ways re. Castle Vale Project					0	15669	
Walsgrave					0	1000	
Wednesbury		4000			4000	5963	
Wolston		7000			7000	6625	
Yardley Wood					0	2500	
Grants to Individuals							
Rev. Alison McKay					0	250	
Rev. Kirsteen Macaulay					0	500	
Rev. Peter Maycock (Queens Foundation)					0	500	
Rev. Simon Harry					0	88	
Rev. Leone Martin					0	500	
Madlen Purcell (Helen Youth Fund)					0	1081	
Caitlin Norman (Helen Youth Fund)					0	500	
Rev Jason Borlase			250		250	0	
Rev Andy Browning			250		250	0	
Chrissy Remsberg			500		500	0	
Grants to Organisations							
B.C.C.E. & C.L.A.S.P.	719				719	669	Subscriptions
Churches together in Shropshire					0	2000	Subscriptions
Churches together in Hereford	800				800	750	
Birmingham Churches Together	4020				4020	3216	Subscriptions
Faith at Work in Worcestershire			4875		4875	6500	
Telford Christians Together					0	4400	
Urban Expression			7570		7570	7570	
West Mids FE Chaplaincy					0	3000	
Workcare West Midlands			3713		3713	0	
Ministry among the Deaf Expenses	30242				30242	28594	Expenses
	35781	**71918**	**20158**	**0**	**127857**	**179236**	

THE HEART OF ENGLAND BAPTIST ASSOCIATION

PROPERTIES FOR WHICH HEBA WAS OWNER/HOLDING TRUSTEE 31 DECEMBER 2024

C = Conservation area **L** = Listed

Name	Details
Acocks Green L	Chapel, School Hall, Manse
Alvechurch C	Chapel, Schoolrooms, land at rear, Manse
Attleborough	Church, other properties, Manse
Ashmore Park	Chapel, Hall
Austrey L	Church Buildings
Baddeley Edge	Chapel
Baptist Church Centre Handsworth	Church, Legal charge held by Birmingham City Council against this property.
Barnt Green	Chapel, land at rear
Bearwood	Church and School Hall
Bedworth	Chapel and School Hall, Manse
Bilston	Church and halls, Manse
Binley Woods (LEP)	Manse
Bridgnorth L	Chapel, Offices
Brierley Hill	Chapel, Schoolrooms, Burial ground
Bromsgrove	Chapel and School Hall Manse
Butt Lane, Stoke-on-Trent	Chapel and School Hall
Cannon Street Memorial	Manse and house, Legal charge held by Birmingham City Council against the Church which is held by Cannon Street Trust Corporate Trustee Limited
Carters Lane	Chapel and School hall
Castle Hill, Warwick C	Church, other properties, Manse
Catshill	Chapel and halls, burial ground, Manse
Cedar Church, Kingstanding	Chapel and Hall

THE HEART OF ENGLAND BAPTIST ASSOCIATION

PROPERTIES FOR WHICH HEBA WAS OWNER/HOLDING TRUSTEE 31 DECEMBER 2024

Chadsmoor	Chapel, Schoolrooms
Chase	Church
Chelmsley Wood	Church Centre, Manse
Chester Road,	Chapel, Manse
Chorley	Chapel, Burial Ground
Christchurch LEP, Hall Green	Chapel, Hall, Manse
City Road	Manse
Darkhouse	Chapel, School Hall and small burial ground Graveyard, Bell St
Dawley	Church, School Hall and Burial Ground, Manse
Donnington Wood	Chapel
Edward Rd L	Chapel and Schoolrooms
Erdington, Six Ways	Chapel, School Halls, Manse
Ewyas Harold	Church, Manse and Land adjoining
Far Forest	Church
Fenton	Chapel and School Hall
Fordhouses Wolverhampton	Chapel and School Hall, Manse
Four Oaks	Chapel and Halls, House
George Road Community Church	Church and hall
Grace Community Church	Church building and land abutting church
Grenfell	Chapel, Land adjoining, House
Hope Stourbridge	Chapel, School Hall, Manse
Hanley, Stoke-on-Trent	Church Centre
Harborne	Church and Halls, other properties, Manse

THE HEART OF ENGLAND BAPTIST ASSOCIATION

PROPERTIES FOR WHICH HEBA WAS OWNER/HOLDING TRUSTEE 31 DECEMBER 2024

Hearsall	Manse
Kenilworth	Church
Highgate	Church, hall and flat above.
Hockley Heath	Church Hall, land Adjoining
Kings Community Church	Church and Schoolroom
Kings Norton	Chapel, School Hall and land adjoining, Manse
Ledbury L	Church, Manse and additional house
Lentons Lane, Coventry	Church, School Hall, additional land, Manse
Limbrick Wood	Church and Hall, Manse
Londonderry	Church and hall
Longbridge	Chapel and Hall, Manse
Longford	Salem: School Halls Union Place: Church, hall and burial ground
Ludlow	Church Centre
Netherton, Ebenezer	Chapel and Schoolroom
Lodge Farm, Netherton	Church Hall
Messiah, Netherton	Burial Ground
New Christ Church, Aston	Chapel, Manse
Newbridge	Chapel, School Hall, Manse
Newcastle-under-Lyme	Church
New Life, Kings Heath	Church, Manse and 2 houses
Newport	Church Building and site
Northfield	Church and halls, manse, Other land
Olton	Offices

THE HEART OF ENGLAND BAPTIST ASSOCIATION

PROPERTIES FOR WHICH HEBA WAS OWNER/HOLDING TRUSTEE 31 DECEMBER 2024

Oswestry C	Church Building
Overslade	Church Hall
Perry Beeches	Chapel
Providence	Chapel, and burial ground, Manse
Polesworth	Church, School Hall and burial ground
Pontesbury	Chapel and Burial Ground, Manse
Rugby L	Chapel and School Halls
St Peter's Worcester	Church, Manse
Saltley	Chapel, Manse
Sandon Road, Stafford	Chapel and School Hall, 2 Houses
Selly Park	Chapel and School Hall, Manse (co-trustee)
Shrewsbury C	Claremont site (C): Chapel Crowmoor site: Church
Stechford	Chapel, Manse
Stoke Baptist Church	Church,
Tabernacle Wolverhampton	Chapel and School halls, car park, Manse
Tamworth	Chapel
Walsall, The Delves	Site, Chapel, Church Hall, Manse
Walsgrave	Chapel and School Hall, Manse
Warley	Chapel and School Halls and land adjoining, Manse
Wednesbury	Chapel, Manse
West Bromwich	Chapel, Manse
Westmancote Burial Ground	CC Order 2004. Co-Trustees with Official Custodian
Wolston C	Chapel, Burial Ground

THE HEART OF ENGLAND BAPTIST ASSOCIATION

PROPERTIES FOR WHICH HEBA WAS OWNER/HOLDING TRUSTEE 31 DECEMBER 2024

Word of Spirit and Life Church	Church
Yardley	School Hall, Manse
Yardley Wood	Chapel, Manse

THE HEART OF ENGLAND BAPTIST ASSOCIATION

England & Wales - Charity number 1080529

Accounts

ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2023

The Heart of England Baptist Association
Registered Charity Number: 1080529 Registered Company Number: 00238738
Registered Office: 480 Chester Road, Sutton Coldfield, B73 5BP

THE HEART OF ENGLAND BAPTIST ASSOCIATION

(A Company Limited by Guarantee)

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023

The Trustees, who are directors for the purposes of company law, are pleased to present the Annual Report and Financial Statements of the charitable company for the year ended 31 December 2023, which are prepared to meet the requirements for a Director's Report and accounts for Companies Act purposes. References to 'HEBA' throughout this report refer to the Heart of England Baptist Association.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Articles of Association and 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102).'

Objectives and Activities

The Objects of this charitable company are the advancement of the Christian faith, particularly in the Heart of England and especially by the means of and in accordance with the principles of the Baptist denomination as set out for the time being in the Declaration of Principle of The Baptist Union of Great Britain (BUGB).

The values espoused by the Trustees of the charitable company are Companionship, Generosity, Diversity, Learning and Innovation, the principle value being Companionship. These values are continually presented to churches for their encouragement and so that they understand the principles guiding the work of the charitable company. The values are presented at events to which churches are invited, through the regular mailings to churches, through the work of the HEBA office team and Regional Ministers and on the Trustees' social media outlets and channels.

The principal activities of the charitable company are the employment of a Regional Ministry and administrative staff team and the organisation of a number of volunteers, working in groups or individually, to offer support and guidance, training and financial resources to advance the Christian faith in a way which benefits Baptist churches and the communities they serve.

The charitable company is part of the family of Baptist organisations serving the needs of many of the Baptist churches in Great Britain, working particularly closely with the Baptist Union of Great Britain (BUGB). The Charity has a linked Charity, the Heart of England Baptist Association Loan Fund (1080529 -1) and the Trustees are also Trustees of the Umberslade Church Endowment (255061) and Directors of the CST Corporate Trustee Limited (11454313). They are joint Trustee with two others of Selly Park Baptist Church Manse (516796).

The charitable company aims to:

- Co-operate with churches directly and through working groups by providing information and support and by passing appropriate resolutions to enable building development projects, including Sustainable Energy Funding. Many of these projects are directly aimed at making church buildings more accessible and available to the local community.
- Assist churches and ministers that are seeking new ministries through the Baptist National Settlement process.
- Assist individuals who are exploring a call to any Baptist ministry by signposting various routes to recognised Baptist ministry, interviewing candidates, supporting ministerial candidates and providing BUGB approved training for preachers and pastors.
- Make Safeguarding training available on a rolling programme, encouraging and enabling ministers and members of churches to receive training.
- Provide Safeguarding support to churches when incidents/suspected incidents arise.
- Mediate disagreements arising within churches or between churches and their local community.
- Encourage the HEBA Grants Committee as it continues to seek creative ways of supporting churches in their mission using Baptist Home Mission and Association funds.
- Ensure, through its Finance Group, responsible and effective stewardship of the resources of the charitable company.
- Encourage churches to support Baptist Home Mission and BMS World Mission through prayer, direct partnership with mission personnel and financial gifts, so that the Gospel of Jesus Christ can continue to be shared in the UK and abroad.
- Co-operate with other Baptist organisations and other denominations where this supports the objects of the Association.
- Receive and consider reports from Working Groups and the Regional Ministers, enabling the charitable company to maintain effective governance, including receiving reports on the staff appraisals, budget proposals, safeguarding issues and other work with churches as appropriate.

- Support the staff employed by the charitable company through the provision of appropriate training and support, and provision of clear and effective staffing and other policies.
- Seek appropriate and timely professional, including legal advice on issues having a potentially wide-ranging effect with a view to understanding and, where possible, mitigating their risk.
- Continue to explore ways in which the Trustee board can become even more effective in governing the charitable company and in their strategic planning.

During the year, Revd Duncan MacLean retired from the role of Moderator of the Association and Board of Trustees, and Mrs Judith Miller was elected by the Trustees to replace him. Two churches closed during the year: Kinsham, a small chapel in fellowship but not membership of HEBA, and Croxton Independent Methodist Church in Staffordshire – another small cause which came into membership when the Independent Methodists joined BUGB.

The Trustees reviewed and updated their Recruitment and Equality, Diversity and Inclusion Policy documents during the year. One Serious Incident Report was made to the Charity Commission, relating to events at a church which might have resulted in reputational damage to the Association.

Following the work of their Budget Review Group during 2023, the Trustees established an Association Review Task & Finish Group to consider and consult on the future of the Association. This Group undertook a Consultation amongst member churches and is working on the responses. The Group reports directly to the Trustees.

Public Benefit

The Trustees, having regard to the Charity Commission's guidance document, 'public benefit: running a charity (PB2)', continued to provide public benefit by seeking to advance the Christian faith and practice in accordance with the Objects of the charitable company.

The Trustees sought to achieve this in several ways including:

- encouraging churches to adopt robust safeguarding policies and practice through the provision of training for church members, ministers and pastors;
- keeping appropriate safeguarding records, including documents kept in long-term secure systems;
- acting to provide help and support to churches seeking to improve their own governance, projects or buildings.
- holding staff accountable for their support for churches seeking to advance the Christian faith in their communities;
- funding - in partnership with other organisations - the continued provision of a Baptist minister for deaf and deafened people in Stafford; and
- encouraging churches - through the annual Ministers' Conference, theological reflection days, interaction with Regional Ministers and other staff - to engage effectively and serve God and their local communities.

Achievements and Performance

The Trustees have sought to support their staff as they use and continue to equip the Association Office. Members of the staff teamwork from the office each Wednesday and other times as appropriate, and use of the office for meetings of groups of volunteers as well as appropriate outside groups has been encouraged and is increasing.

The Trustees support three Regional Ministers (RMs) in their work through the provision of assistance in housing, in training and in permitting them to take sabbatical leave. They also encourage them through prayer and receive appropriate reports as they engage with church leadership teams, congregations and ministers, including helping with the movement of ministers and pastors and offering mediation and comfort to members and ministers. Each of the Regional Ministers are members of National Baptist Groups and they, along with other staff and volunteers, attended gatherings in person and on-line during the year. This year the Regional Minister Team Leader took sabbatical leave and the Association Administrator was granted sabbatical leave of one month in recognition of her long service to the Association.

The Trustees also continued to support online and in person training, meetings and conferences during the year, including a Ministers' Conference where the speaker was the General Secretary of the Baptist Union of Great Britain. The staff joined with the staff of the East Midland Baptist Association for a retreat during Easter Week. The Regional Ministers facilitated equality and diversity training for accredited ministers on behalf of BUGB, supported an Eco-

church day hosted by Fernhill Heath Baptist Church and staff also supported the Women's Conference and regular meetings for theological reflection. They particularly encouraged the Women's Justice Task Group during the year. The Baptist Assembly was held in Telford and HEBA churches and staff gave significant help to this successful event.

The charitable company, through its Regional Ministers, continued to support ecumenical work across the whole area of the Association, for example, all RMs serve on ecumenical bodies in the region during the year. The Trustees ecumenical and Baptist partners continue to collaborate in supporting the ministry of Revd Susan Myatt, Baptist Minister Amongst the Deaf, financially and through prayer.

During the year, the Ministerial Recognition Group commended three people for training to become 'fully accredited Baptist ministers' and two people to train as 'nationally recognised pastors'. Three 'newly accredited ministers' were interviewed and commended to the Baptist Union for transfer to the 'fully accredited ministry' list.

Twelve ministers settled into new ministries in HEBA during 2023, three moved to ministries outside of HEBA and three ministers retired. Two 'retired ministers' lunches' were held. These were organised for HEBA by Rev Darren Smith, and attended by over 30 thirty people.

The charitable company continued to model an organisational culture which prioritises safeguarding through their encouragement and support of churches to provide a safe and trusted environment for all those they come into contact with, particularly children, young people and Adults at Risk. During 2023, the charitable company provided safeguarding training for 1003 individuals from 70 churches/organisations at 40 Level 2 training events and 20 Level 3 training events. Revd Duncan MacLean served as Trustee for Safeguarding and Mr Keith Baldwin continued to serve as Safeguarding Officer and also delivered training. The Trustees are grateful to all the volunteer trainers who provide excellent training to the churches of the Association.

The charitable company, through its Grants Group, provided grants to 17 churches and projects, 5 grants to individuals and 8 grants to organisations (see appendix 1). Having considered the budgetary constraints of the Association and the need to contract the grant funds available to churches, the new system of grant application and allocation was instigated during this year.

The work of the Grants Group is directly overseen by the Finance Group, which ensured that all funds were being held and spent appropriately. They reviewed budgets at each meeting and oversaw the work of the Budget Review Group during the year. This work encouraged the Trustees to start a full review of the priorities and structure of the charitable company, including a consultation with ministers and churches. The Group was pleased to welcome a new Treasurer, Mrs Mercy Otieno, who was affirmed as a Trustee in 2023 and chairs the Finance Group.

The charitable company's book-keeping service to member churches continued, and at the end of the year was undertaking book-keeping for two churches. The Payroll Service offered to churches and projects also continued, and at the end of the year, payroll services were being undertaken for 58 churches/projects (83 individuals).

The charitable company, through its Trust Working Group (TWG), gave consideration and practical assistance to over 30 churches involved in building purchase, disposal and development; changing their legal structure and amending their structure. It continued to offer support to churches with dilapidated burial grounds, and undertook substantial work at one 'orphan' burial ground to prevent . The creation of electronic trust digests was not completed until early in 2024, and the TWG was grateful to the Trustee who has worked diligently on this project. They are also grateful to solicitors from Shakespeare Martineau who attend each meeting of the Group.

During the year, the following of the previous year's targets were started/completed

- undertaking a review to establish the resonance of the strategic priorities, values etc with the member churches – to be completed during 2024;
- Complete review of Terms of Reference of Working Group – to be completed during 2024;
- Focus on our core value of Companionship – an ongoing aim;
- Continue working towards reducing the large budget deficit – an ongoing aim;
- Board recruitment – an ongoing aim; and
- Further develop the Justice Hub, launch women's year of justice, develop young people's involvement – an ongoing aim.

Risk Review

The charitable company continued to review its Risk Management Matrix at least three times a year. The full migration of IT services to the cloud enabled staff to work effectively from home and also reduced the risk posed by having all back up recording on hardware.

Significant risks identified during the year were:

- Destruction of equipment, data breaches etc;
- Staff working alone in office or other venues;
- Reduced income;
- Costs vastly exceeding income;
- Funds placed by churches withdrawn simultaneously;
- Failure of financial management;
- Not being able to appoint to essential roles;
- Key staff suddenly unavailable;
- Safeguarding incident leading to reputational damage; and
- Failure to comply with DP/GDPR legislation.

Financial Review

During 2023 the overall funds of the Association increased by £35,000 to £2,741,317 (£2,706,317 in 2022).

General fund income was £416,488. Expenditure totalled £481,058 resulting in a loss of £64,570. Net gains on investment assets totalled £109,310 reflecting improved performance in the financial markets during the year. The General Fund at the year-end was £608,652 which also reflects a gain on the sale of the freehold property at Endeavour Place, Stourport of £90,000.

The Net Movement on Designated Funds was £12,295 excess of expenditure over income. This was primarily due to the ongoing use of the Mission Development Fund for grants to church and other mission projects. At the year end the total balance of designated funds was £733,534.

Other income and expenditure in the Restricted Funds primarily relate to income and expenditure for the Retired Ministers and Missionaries Housing Fund, the Atch Lench Baptist Trust expenditure for mission, and the Helen Youth Fund. The Atch Lench Baptist Trust Fund and the Helen Youth Fund have now been totally utilised and are subsequently closed. There have been no loans from the Heart of England Loan Fund. A decision was taken by the Trustees to re-open the fund for use in 2024. The net movement across the restricted funds was a slight increase of £2,555. At the year end the balances across the restricted funds was £1,399,131.

The Association is part of a very complex multi-employer defined benefit pension scheme comprising approximately 1200 employers. See Note 26 in the Financial Statements.

Investment powers, policy and performance

The Trustees have appointed Redmayne Bentley as Investment Managers for the Association's investment portfolio. The managers have discretionary powers to invest in line with the Investment Policy which is classed as medium risk and aims for moderate growth in income whilst at least maintaining capital values over the medium to long term.

Reflecting the ethos of the Association, an ethical investment policy is in place to guide the investment manager. This focuses on positive aspects such as good governance and good working practices as well as excluding sectors which do not fit with the Association's ethos.

During the year, the portfolio return (total return basis) was 7.77%, against the portfolio benchmark return of 9.59%. The Association continued to maintain substantial balances on notice and term deposits. Most of these funds represent balances held on behalf of churches where minimal capital risk is important.

Reserves policy

The Trustees consider a reserve of one year's costs is required to ensure a managed exit from all existing agreements and contracts. One year's costs is the total general fund expenditure excluding one off events and including one year of grant funding from the Association's own resources (£0.147m), where grants are expected to be needed beyond the current year. This latter is to reflect commitments, often staff related, which have been entered into by grant receiving churches. On this basis reserves of £0.613m are required. Excluding fixed assets and restricted funds the Association's free reserves improved from a negative £0.216m in 2022 to a positive £0.025m in 2023. This was as a result of the sales of a property in the year and an improved investment performance. This positive movement is an encouragement and although still below our required level of reserves, it is in line with the Trustees' intentional strategy to utilise the reserves on a managed basis whilst ensuring capacity to generate sufficient funds in the future. During the year, other extenuating events outside of the Association's control, including significant reduction in income and inflationary cost increases, continued to impact on the Association's finances. The Trustees continue to seek to redress reserves to acceptable levels through the sales of properties, undertaking a review of the future costs and structure of the Association, cash levels and improved investment performance.

Plans for future periods

During 2023, the charitable company will seek to continue to fulfil its objects in creative ways that will assist in the advancement of the Christian faith and the enrichment of church and community life in the Heart of England.

This will include:

- The Association Review: continue to consult within the constituency, draw together the responses and reflect on the results with a view to making appropriate changes;
- Complete the review of Terms of Reference of Working Groups;
- Update Health & Safety documentation and procedures for the new office;
- Review Data Protection documentation;
- Continue working towards reducing the large budget deficit;
- Engage in further Board recruitment;
- Further develop the Justice Hub, developing young people's involvement; and
- Update and implement communication strategy.

Structure, Governance, Management

The charitable company is governed by its Articles of Association and Rules of 20 April 2022.

The Objects of this charitable company are the advancement of the Christian faith, particularly in the Heart of England and especially by the means of and in accordance with the principles of the Baptist denomination as set out for the time being in the Declaration of Principle of The Baptist Union of Great Britain.

Trustees' Interests

No Trustee had any beneficial interest in the charitable company or in any contract or arrangement of a material nature with the charitable company during the year under review. Declarations of Loyalty and Interest are required at the start of every meeting of Trustees and Working Groups and the Association Administrator also asks Trustees to update their written Declarations of Loyalty and Interest on an annual basis.

Recruitment, appointment, induction and training of Trustees

The charitable company is run by its Board of Trustees who are also directors. They held six meetings during 2023.

The Trustees use their Skills Audit in the process of recruiting new members of the board out of member churches. Churches and individuals can nominate prospective Trustees, who are sent copies of the charitable company's Articles of Association and its Conflict of Loyalty and Interests policy and are asked to complete and sign the Declaration of Qualification to serve as a Trustee. They usually have a meeting with the Moderator of the Board of Trustees and are advised that appropriate checks will be undertaken to confirm that they are eligible to serve in this capacity. If,

after this, they still wish to serve, the churches of the Association are invited to affirm the nominees by email or letter to the Administrator/Company Secretary. On appointment, they are invited to a formal induction meeting with the Administrator/Company Secretary who signposts essential documents available from the Charity Commission, Companies House and BUGB websites, as well as providing an overview of the activities of the charitable company.

The Association Administrator who is also the Company Secretary assisted all Trustees by signposting documents and conferences to help them in their work. This includes circulating information from the Charity Commission, Companies House, some third sector organisations and the Churches' Legislation Advisory Service, and advising them of seminars and training that they could attend.

Trustees at 31 December 2023

The Moderator and Treasurer are elected annually by the members of the Association.

The Revd Duncan MacLean (to 22 April 2023)	Moderator (resigned as Trustee 12 March 2024)
Mrs Judith Miller (from 22 April 2023)	Moderator
Mrs Mercy Mbajah (Appointed 20 January 2023)	Treasurer
The Revd Adrian Argile	Regional Minister – Team Leader
The Revd Glenford Gordon	Affirmed by the members of the charitable company (resigned 13 January 2024)
Mrs Joanne Green	Affirmed by the members of the charitable company
Revd Terry Lockyer	Affirmed by the members of the charitable company
Revd Antony Maude	Affirmed by the members of the charitable company
The Revd Dr Edward Pillar	Affirmed by the members of the charitable company
The Revd Amy Wearing	Affirmed by the members of the charitable company

Association Information

Registered Charity Number	1080529
Registered Company Number	00238738
Registered Office	480 Chester Road, Sutton Coldfield, West Midlands, B73 5BP
Other Office Holders	
Company Secretary/Administrator	Miss Karen Martindale
Regional Ministers serving the Association during 2023	The Revd Adrian Argile The Revd David Ellis The Revd Neil Le Tissier
Legal Advisors	Shakespeare Martineau Waterfront House, Waterfront Plaza, Nottingham, NG2 3DQ
Auditor	MHA Moorgate House, 201 Silbury Boulevard, Milton Keynes, MK9 1LZ
Bankers	HSBC Bank plc, 186 Broadway, Didcot, OX11 8RP
Stockbrokers/Investment Advisors	Redmayne-Bentley LLP, 9 Bond Court, Leeds, LS1 2JZ

Related Parties

The charitable company is a member of the Baptist Union of Great Britain, paying a subscription to this charity. Funds from the Home Mission Fund, which is the principle working fund of the BUGB, are received by the charitable company and dispersed by its Grants Group.

The Registered Office of the charitable company is in property owned by the charitable company.

The charity has a linked charity, the Heart of England Baptist Association Loan Fund (1080529 -1) and the Trustees are also Trustees of the Umberslade Church Endowment (255061) and Directors of the CST Corporate Trustee Limited (11454313). The Trustees are joint Trustee with two individuals of Selly Park Baptist Church Manse (516796).

Key Management personnel remuneration

The charitable company consider their key management personnel to be:
The charitable company's Board of Trustees.

The pay and remuneration of the employees of the charitable company is set by the charitable company through the Board and its Finance Group and is based upon the Baptist Home Mission recommended stipend.

Persons of Significant Control (PSC) Register

The charitable company has established a Register and there is currently no PSC recorded thereon.

Directors' responsibilities in relation to the financial statements

The Trustees (who are also directors of The Heart of England Baptist Association for the purposes of company law) 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).

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 and of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They 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.

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- 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

A resolution to reappoint MHA as independent auditor was approved at the Annual General Meeting.

This report was approved by the Board on 23 May 2024.

Signed

J. Miller

Mrs Judith Miller
Moderator of the Association

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE HEART OF ENGLAND BAPTIST ASSOCIATION

Opinion

We have audited the financial statements of The Heart of England Baptist Association (the 'Charitable Company') for the year ended 31 December 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, 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 2023 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 Auditors' 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 United Kingdom, including the Financial Reporting Council'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 AUDITORS' REPORT TO THE MEMBERS OF THE HEART OF ENGLAND BAPTIST ASSOCIATION (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion 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 for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' 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 Trustees' Report.

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

- the information given in the Trustees' Report 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; and
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE HEART OF ENGLAND BAPTIST ASSOCIATION (CONTINUED)

Responsibilities of Trustees

As explained more fully in the Trustee's Responsibilities Statement, page 8 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.

Auditors' responsibilities for the audit of the financial statements

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

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

- obtaining an understanding of the legal and regulatory frameworks that the Charity operates in, focusing on those laws and regulations that have a direct effect on the financial statements;
- enquiring of management and Trustees around known or suspected instances of non-compliance of laws and regulations and fraud;
- discussing amongst the engagement team regarding how and where fraud might occur in the Charity financial statements and any potential indications of fraud;
- reviewing minutes of meetings of those charged with governance; and
- performing audit work in relation to the risk of management override, including testing of journal entries and other adjustments for appropriateness and reviewing accounting estimates or bias.

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 Auditors' Report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE HEART OF ENGLAND BAPTIST ASSOCIATION (CONTINUED)

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 Auditors' 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 Charitable Company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Elizabeth Newell BA (Hons) FCA (Senior Statutory Auditor)

for and on behalf of
MHA

Chartered Accountants
Statutory Auditors

Milton Keynes, United Kingdom

Date: 29 May 2024

MHA is the trading name of MacIntyre Hudson LLP, a limited liability partnership in England and Wales (registered number OC312313).

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income from:					
Donations and legacies	4	**314,386**	**-**	**314,386**	231,962
Charitable activities	5	**57,774**	**-**	**57,774**	41,726
Investments	6	**165,123**	**9,185**	**174,308**	122,433
Other income	7	**12,863**	**-**	**12,863**	45,010
Total income		**550,146**	**9,185**	**559,331**	441,131
Expenditure on:					
Raising funds	8,9	**126,619**	**-**	**126,619**	55,776
Charitable activities	10	**476,657**	**30,365**	**507,022**	576,608
Total expenditure		**603,276**	**30,365**	**633,641**	632,384
Net gains/(losses) on investments	16	**109,310**	**-**	**109,310**	(368,377)
Net income/(expenditure)		**56,180**	**(21,180)**	**35,000**	(559,630)
Transfers between funds	21	**(23,735)**	**23,735**	**-**	-
Net movement in funds before other recognised gains/(losses)		**32,445**	**2,555**	**35,000**	(559,630)
Other recognised gains:					
Other gains	26	**-**	**-**	**-**	72,660
Net movement in funds		**32,445**	**2,555**	**35,000**	(486,970)
Reconciliation of funds:					
Total funds brought forward		**1,309,741**	**1,396,576**	**2,706,317**	3,193,287
Net movement in funds		**32,445**	**2,555**	**35,000**	(486,970)
Total funds carried forward		**1,342,186**	**1,399,131**	**2,741,317**	2,706,317

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 17 to 44 form part of these financial statements.

THE HEART OF ENGLAND BAPTIST ASSOCIATION

(A Company Limited by Guarantee)
REGISTERED NUMBER: 00238738

BALANCE SHEET
AS AT 31 DECEMBER 2023

	Note		2023 £		2022 £
Fixed assets					
Tangible assets	15		**1,316,374**		1,526,483
Investments	16		**2,931,484**		2,720,475
			4,247,858		4,246,958
Current assets					
Debtors	17	**150,856**		144,907	
Investments	18	**910,343**		80,315	
Cash at bank and in hand	24	**801,502**		492,809	
		1,862,701		718,031	
Creditors: amounts falling due within one year	19	**(3,369,242)**		(2,254,672)	
Net current liabilities			**(1,506,541)**		(1,536,641)
Total assets less current liabilities			**2,741,317**		2,710,317
Creditors: amounts falling due after more than one year	20		**-**		(4,000)
Total net assets			**2,741,317**		2,706,317
Charity funds					
Restricted funds	21		**1,399,131**		1,396,576
Unrestricted funds	21		**1,342,186**		1,309,741
Total funds			**2,741,317**		2,706,317

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2023

The Trustees acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

J. Miller
.....
Mrs Judith Miller
Trustee and Moderator of the Association

Date: 23rd May 2024.

The notes on pages 17 to 44 form part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023

	2023 £	2022 £
Cash flows from operating activities		
Net cash used in operating activities (note 23)	**772,447**	(190,270)
Cash flows from investing activities		
Dividends, interests and rents from investments	**174,308**	122,433
Proceeds from the sale of tangible fixed assets	**300,000**	-
Purchase of tangible fixed assets	**(6,335)**	(393,145)
Proceeds from sale of investments	**111,082**	111,145
Purchase of investments	**-**	(185,382)
Net cash provided by/(used in) investing activities	**579,055**	**(344,949)**
Cash flows from financing activities		
Deficiency payments against pension liability	**-**	(10,468)
Net cash used in financing activities	**-**	**(10,468)**
Change in cash and cash equivalents in the year	**1,351,502**	**(545,687)**
Cash and cash equivalents at the beginning of the year	**600,794**	1,146,481
Cash and cash equivalents at the end of the year	**1,952,296**	600,794

The notes on pages 17 to 44 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

1. General information

The Heart of England Baptist Association is a private Company (limited by guarantee) incorporated in England and Wales, registration number 00238738, and is also a registered Charity in England and Wales, registration number 1080529. The registered office is 480 Chester Road, Sutton Coldfield, Birmingham, B73 5BP.

The principal activities of the Charitable Company are the employment of a Regional Ministry and administrative staff team and the involvement of a number of volunteers, working in groups or individually, to offer support and guidance, training and financial resources to advance the Christian faith in a way which benefits Baptist churches and the communities they serve.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Heart of England Baptist Association meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The financial statements are prepared in British Pound Sterling (£), which is the functional and presentational currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest £.

The Charity has taken exemption from the requirement to prepare consolidated financial statements on the grounds that the subsidiary is immaterial to the Group.

2.2 Company status

The Company is limited by guarantee. The members of the Company are the Trustees named on pages 6. In the event of the Company being wound up, the liability in respect of the guarantee is limited to £1 per member of the Company.

2.3 Going concern

The financial statements have been prepared on a going concern basis. The Trustees have considered budgets, cash flows and the impact of subsequent event. The Trustees are satisfied that the Charity has sufficient available resources, both in terms of cash and investments that can be converted to cash, such that there is no material uncertainty and the going concern basis of preparing the financial statements continues to be appropriate.

2. Accounting policies (continued)

2.4 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the Charity has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the Charity, can be reliably measured.

Donated services or facilities are recognised when the Charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the Charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102).

On receipt, donated professional services and facilities are recognised on the basis of the value of the gift to the Charity which is the amount it would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

2.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Support costs are those costs incurred directly in support of expenditure on the objects of the Company.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

All expenditure is inclusive of irrecoverable VAT.

2. Accounting policies (continued)

2.5 Expenditure (continued)

Expenditure on raising funds includes all expenditure incurred by the Charity to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

2.6 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the bank.

2.7 Taxation

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a Charitable Company for UK corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

2.8 Tangible fixed assets and depreciation

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

At each reporting date the Charity assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined to be the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

No value is attributed to burial grounds owned by the Company as the original cost is not known and due to the nature of the asset it is not considered possible to determine a fair value.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, .

Depreciation is provided on the following basis:

Freehold property	-	2%	Straight-line*
Fixtures and fittings	-	10%	Straight-line
Computer equipment	-	33%	Straight-line

* The depreciation charge for freehold property is £nil due to the residual value of the properties being assessed at a value at least equal to cost.

No depreciation is charged on the freehold land.

2. Accounting policies (continued)

2.9 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'gains/(losses) on investments' in the Statement of Financial Activities.

2.10 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Loans to churches are concessionary loans made in furtherance of the Charity's purposes. Loans are recognised at cost as adjusted for any repayments made less impairment.

2.11 Cash at bank and in hand

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

2.12 Liabilities and Provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of Financial Activities as a finance cost.

2.13 Financial instruments

The Charity only has financial assets and financial 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.

2.14 Operating leases

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight-line basis over the lease term.

2. Accounting policies (continued)

2.15 Pensions

The Charity participates in a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Charity pays fixed contributions into a separate entity. Once the contributions have been paid the Charity has no further payment obligations. The contributions are recognised as an expenditure 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 Charity in an independently administered fund.

Prior to 2012, the pension provision was made through two multi-employer defined benefit pension plans. Where it is not possible for the Charity to obtain sufficient information to enable it to account for a plan as a defined benefit plan, it accounts for the plan as a defined contribution plan. Where the plan is in deficit and where the Charity has agreed, with the plan, to participate in a deficit funding arrangement, the Charity recognised a liability for this obligation. The amount recognised is the net present value of the contributions payable under the agreement that relate to the deficit. This amount is expensed in the Statement of Financial Activities.

2.16 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trusteess in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trusteess for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

3. Critical accounting estimates and areas of judgement

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.

Judgements in applying the entity's accounting policies:

Multi-employer defined benefit pension schemes - certain employees participate in multi-employer defined benefit pension schemes with other organisations. In the judgement of the Trustees, the Charity does not have sufficient information on the plan assets and liabilities to be able to reliably account for its share of the defined benefit obligation and plan assets. Therefore the schemes are accounted for as defined contribution schemes.

3. Critical accounting estimates and areas of judgement (continued)

Critical accounting estimates and assumptions:

Multi-employer defined benefit pension scheme - the Charity has an obligation to pay a deficit funding arrangement in respect of two-multi employer defined benefit pension schemes (Baptist Pension Scheme and Baptist Union Staff Pension Scheme). The present value of the obligation depends on a number of factors including the RPI rate and the discount rate on corporate bonds. Management estimates these factors in determining the new pension obligation in the Balance Sheet.

Useful economic lives and residual values of tangible assets - the annual depreciation charge of tangible assets is sensitive to changes in the estimated useful economic lives and the 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 economic utilisation, physical condition and future investments of assets.

4. Income from donations and legacies

	Unrestricted funds 2023 £	**Total funds 2023 £**
Donations	62,202	**62,202**
Home Mission Fund Grant	118,526	**118,526**
Home Mission Grant for mission	133,658	**133,658**
	314,386	**314,386**

	Unrestricted funds 2022 £	Total funds 2022 £
Donations	5,343	5,343
Home Mission Fund Grant	106,511	106,511
Home Mission Grant for mission	120,108	120,108
	231,962	231,962

5. Income from charitable activities

	Unrestricted funds 2023 £	Total funds 2023 £
Minister's Conference	13,934	**13,934**
Other activities	43,840	**43,840**
Total 2023	57,774	**57,774**

	Unrestricted funds 2022 £	Total funds 2022 £
Minister's Conference	12,022	12,022
Other activities	29,704	29,704
Total 2022	41,726	41,726

6. Investment income

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Retired Minister Housing Income	-	8,865	**8,865**
Dividends and bond interest	165,123	-	**165,123**
Interest on loans	-	320	**320**
Total 2023	165,123	9,185	**174,308**

6. Investment income (continued)

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Retired Minister Housing Income	1,610	5,108	6,718
Dividends and bond interest	115,395	-	115,395
Interest on loans	-	320	320
Total 2022	117,005	5,428	122,433

7. Other incoming resources

	Unrestricted funds 2023 £	**Total funds 2023 £**
Payroll service	11,361	**11,361**
Other activities	1,502	**1,502**
Total 2023	12,863	**12,863**

	Unrestricted funds 2022 £	Total funds 2022 £
Payroll service	12,986	12,986
Other activities	32,024	32,024
Total 2022	45,010	45,010

8. Expenditure on raising funds

	Unrestricted funds 2023 £	Total funds 2023 £
Payroll scheme expenses	10,026	**10,026**
Interest on funds held for churches	99,804	**99,804**
Total 2023	109,830	**109,830**

	Unrestricted funds 2022 £	Total funds 2022 £
Payroll scheme expenses	9,379	9,379
Interest on funds held for churches	31,516	31,516
Total 2022	40,895	40,895

9. Investment management costs

	Unrestricted funds 2023 £	Total funds 2023 £
Investment management fees	16,789	**16,789**

9. Investment management costs (continued)

	Unrestricted funds 2022 £	Total funds 2022 £
Investment management fees	14,881	14,881

10. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2023 £	**Restricted funds 2023 £**	**Total 2023 £**
Regional Ministry Team	164,485	-	**164,485**
Grants	139,015	12,517	**151,532**
Subscriptions	6,440	-	**6,440**
Minister's Conference	14,498	-	**14,498**
Association Activities	152,219	17,848	**170,067**
Total 2023	476,657	30,365	**507,022**

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Regional Ministry Team	157,190	-	157,190
Grants	140,369	15,321	155,690
Subscriptions	4,536	-	4,536
Minister's Conference	13,604	-	13,604
Association Activities	237,628	7,960	245,588
Total 2022	553,327	23,281	576,608

11. Analysis of expenditure by activities

	Activities undertaken directly 2023 £	Grant funding of activities 2023 £	Support costs 2023 £	Total funds 2023 £
Regional Ministry Team	164,485	-	-	**164,485**
Grants	-	151,532	-	**151,532**
Subscriptions	6,440	-	-	**6,440**
Minister's Conference	14,498	-	-	**14,498**
Association Activities	17,848	-	152,219	**170,067**
Total 2023	203,271	151,532	152,219	**507,022**

	Activities undertaken directly 2022 £	Grant funding of activities 2022 £	Support costs 2022 £	Total funds 2022 £
Regional Ministry Team	157,190	-	-	157,190
Grants	-	155,690	-	155,690
Subscriptions	4,536	-	-	4,536
Minister's Conference	13,604	-	-	13,604
Association Activities	7,960	-	237,628	245,588
Total 2022	183,290	155,690	237,628	576,608

A detailed analysis of grants paid during the year is included at Appendix 1.

11. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Regional Ministry Team 2023 £	Subscriptions 2023 £	Minister's Conference 2023 £	Association Activities 2023 £	Total funds 2023 £
Staff costs	128,648	-	-	-	**128,648**
Minister's conference	-	-	14,498	-	**14,498**
Regional Ministry Team	35,837	-	-	-	**35,837**
Subscriptions	-	6,440	-	-	**6,440**
Association activities	-	-	-	17,848	**17,848**
Total 2023	164,485	6,440	14,498	17,848	**203,271**

	Regional Ministry Team 2022 £	Subscriptions 2022 £	Minister's Conference 2022 £	Association Activities 2022 £	Total funds 2022 £
Staff costs	125,122	-	-	-	125,122
Minister's conference	-	-	13,604	-	13,604
Regional Ministry Team	30,540	-	-	-	30,540
Subscriptions	-	4,536	-	-	4,536
Association activities	-	-	-	7,960	7,960
Finance cost (pension deficit)	1,528	-	-	-	1,528
Total 2022	157,190	4,536	13,604	7,960	183,290

11. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2023 £	Total funds 2022 £
Staff costs	**122,670**	119,770
Depreciation	**6,444**	5,945
Payroll scheme expenses	**1,552**	1,387
Premises costs and administration	**17,746**	19,588
Other staff costs including training	**17,086**	11,410
Property	**657**	15,619
Working groups	**1,371**	2,976
IT	**9,725**	12,908
Board expenses	**675**	1,331
Legal and professional	**15,062**	(7,867)
Other	**29,431**	36,561
Audit and accountancy fees	**19,800**	18,000
Profit on disposal of fixed asset held for sale	**(90,000)**	-
	152,219	237,628

12. Auditors' remuneration

The auditors' remuneration amounts to an auditor fee of £16,500 (2022: £15,000), and non audit services of £3,300 (2022: £3,000).

13. Staff costs

	2023 £	2022 £
Wages and salaries	**212,372**	207,727
Social security costs	**15,031**	13,522
Pension costs (note 26)	**23,915**	23,643
	251,318	244,892

13. Staff costs (continued)

The average number of persons employed by the Charity during the year was as follows:

	2023	2022
	No.	No.
	8	8

No employee received remuneration amounting to more than £60,000 in either year.

During the year the Rev A Argile, a Trustee of the Charitable Company, received remuneration for his role as Regional Minister Team Leader and travel expenses in connection with that role. He was not remunerated for Trustee duties. The cost to the Charity of the remuneration (gross pay plus employer's national insurance and pension) was £45,038 (2022: £42,268) and expenses were £3,395 (2022: £1,501).

Key Management Personnel of the Charity are considered to be the Trustees. No other Trustee received any remuneration.

14. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2022: Nil), except as disclosed above.

During the year ended 31 December 2023, expenses totalling £675 were reimbursed or paid directly to 5 Trustees (2022: £1,331 to 4 Trustees).

15. Tangible fixed assets

	Freehold property £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation				
At 1 January 2023	**1,511,733**	**19,061**	**16,798**	**1,547,592**
Additions	**-**	**4,857**	**1,478**	**6,335**
Disposals	**(210,000)**	**-**	**-**	**(210,000)**
At 31 December 2023	**1,301,733**	**23,918**	**18,276**	**1,343,927**
Depreciation				
At 1 January 2023	**-**	**10,985**	**10,124**	**21,109**
Charge for the year	**-**	**2,267**	**4,177**	**6,444**
At 31 December 2023	**-**	**13,252**	**14,301**	**27,553**
Net book value				
At 31 December 2023	**1,301,733**	**10,666**	**3,975**	**1,316,374**
At 31 December 2022	1,511,733	8,076	6,674	1,526,483

16. Fixed asset investments

	Listed investments £	Other fixed asset investments £	Total £
Cost or valuation			
At 1 January 2023	**2,692,805**	**27,670**	**2,720,475**
Additions	**-**	**212,781**	**212,781**
Disposals	**(111,082)**	**-**	**(111,082)**
Revaluations	**109,310**	**-**	**109,310**
At 31 December 2023	**2,691,033**	**240,451**	**2,931,484**

16. Fixed asset investments (continued)

All fixed asset investments are held in the UK.

Subsidiary undertaking:

The CST Corporate Trustee Limited (Company number 11454313), a Company limited by guarantee, is a subsidiary by virtue of the Charity being the sole member.

Its sole purpose is to act as a corporate Trustee in respect of the assets of the Cannon Street Trust.

The subsidiary is not material to the Group and has therefore not been included in the financial statements.

17. Debtors

	2023	2022
	£	£
Trade debtors	**8,265**	10,195
Other debtors	**122,599**	130,347
Prepayments and accrued income	**19,992**	4,365
	150,856	144,907

Included within other debtors are loans to churches of £122,599 (2022: £130,347) which are generally expected to be received after one year.

18. Current asset investments

	2023	2022
	£	£
Deposits held on behalf of churches	**910,343**	80,315

19. Creditors: Amounts falling due within one year

	2023 £	2022 £
Trade creditors	**1,119**	7,975
Other taxation and social security	**9,686**	6,476
Other creditors	**3,354,606**	2,183,951
Accruals and deferred income	**3,831**	56,270
	3,369,242	2,254,672

Included within other creditors is an amount of £3,350,606 (2022: £2,183,951) held on behalf of certain churches and the Cannon Street Trust. The churches are required to give due notice before withdrawal of these amounts.

20. Creditors: Amounts falling due after more than one year

	2023 £	2022 £
Other creditors	**-**	4,000

Other creditors represents a contribution to Retired Housing which is an equity contribution by the tenants which is repayable on the sale of the property at Clee View, Bridgnorth.

21. Statement of funds

Statement of funds - current year

	Balance at 1 January 2023 £	Income £	Expenditure £	Transfers in/(out) £	Gains/ (losses) £	Balance at 31 December 2023 £
Designated funds						
Church Resources Fund	**41,634**	**-**	**-**	**-**	**-**	**41,634**
Minister's Resources Fund	**34,643**	**-**	**(1,588)**	**-**	**-**	**33,055**
Regional Ministry Fund	**186,543**	**-**	**-**	**-**	**-**	**186,543**
Mission Development	**346,793**	**-**	**(60,778)**	**50,071**	**-**	**336,086**
Monkspath Fund	**90,387**	**-**	**-**	**-**	**-**	**90,387**
Mission Grant Funds	**-**	**133,658**	**(74,399)**	**(59,259)**	**-**	**-**
Pension reserve	**45,829**	**-**	**-**	**-**	**-**	**45,829**
	745,829	**133,658**	**(136,765)**	**(9,188)**	**-**	**733,534**
General funds						
General Funds	**563,912**	**416,488**	**(466,511)**	**(14,547)**	**109,310**	**608,652**
Total Unrestricted funds	**1,309,741**	**550,146**	**(603,276)**	**(23,735)**	**109,310**	**1,342,186**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

21. Statement of funds (continued)

	Balance at 1 January 2023 £	Income £	Expenditure £	Transfers in/(out) £	Gains/ (losses) £	Balance at 31 December 2023 £
Restricted funds						
Atch Lench Baptist Trust	**1,748**	**-**	**(10,936)**	**9,188**	**-**	**-**
Heart of England Loan Fund	**850,863**	**-**	**-**	**-**	**-**	**850,863**
Helen Youth Fund	**1,581**	**-**	**(1,581)**	**-**	**-**	**-**
Retired Ministers & Missionaries Housing Fund	**523,451**	**8,865**	**(2,762)**	**-**	**-**	**529,554**
Westmancote Baptist Trust	**12,390**	**-**	**-**	**-**	**-**	**12,390**
Benevolent Fund	**219**	**320**	**(15,086)**	**14,547**	**-**	**-**
Flood Fund	**6,324**	**-**	**-**	**-**	**-**	**6,324**
	1,396,576	**9,185**	**(30,365)**	**23,735**	**-**	**1,399,131**
Total of funds	**2,706,317**	**559,331**	**(633,641)**	**-**	**109,310**	**2,741,317**

21. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 January 2022 £	Income £	Expenditure £	Transfers in/(out) £	Gains/ (losses) £	Balance at 31 December 2022 £
Designated funds						
Church Resources Fund	41,934	-	(300)	-	-	41,634
Minister's Resources Fund	36,955	-	(2,312)	-	-	34,643
Regional Ministry Fund	186,543	-	-	-	-	186,543
Mission Development	364,017	-	(55,921)	38,697	-	346,793
Monkspath Fund	90,387	-	-	-	-	90,387
Mission Grant Funds	-	120,108	(81,411)	(38,697)	-	-
Pension reserve	45,829	-	-	-	-	45,829
	765,665	120,108	(139,944)	-	-	745,829
General funds						
General Funds	1,013,193	315,595	(469,159)	-	(295,717)	563,912
Total Unrestricted funds	1,778,858	435,703	(609,103)	-	(295,717)	1,309,741

21. Statement of funds (continued)

	Balance at 1 January 2022 £	Income £	Expenditure £	Transfers in/(out) £	Gains/ (losses) £	Balance at 31 December 2022 £
Restricted funds						
Atch Lench Baptist Trust	17,069	-	(15,321)	-	-	1,748
Heart of England Loan Fund	850,863	-	-	-	-	850,863
Helen Youth Fund	1,581	-	-	-	-	1,581
Retired Ministers & Missionaries Housing Fund	525,474	5,108	(7,131)	-	-	523,451
Westmancote Baptist Trust	12,390	-	-	-	-	12,390
Benevolent Fund	728	320	(829)	-	-	219
Flood Fund	6,324	-	-	-	-	6,324
	1,414,429	5,428	(23,281)	-	-	1,396,576
Total of funds	3,193,287	441,131	(632,384)	-	(295,717)	2,706,317

22. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Tangible fixed assets	1,316,374	-	**1,316,374**
Fixed asset investments	2,931,484	-	**2,931,484**
Current assets	(2,891,036)	4,753,737	**1,862,701**
Creditors due within one year	(14,636)	(3,354,606)	**(3,369,242)**
Total 2023	1,342,186	1,399,131	**2,741,317**

Analysis of net assets between funds - prior year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	1,526,483	-	1,526,483
Fixed asset investments	2,720,475	-	2,720,475
Current assets	(2,866,496)	3,584,527	718,031
Creditors due within one year	(70,721)	(2,183,951)	(2,254,672)
Creditors due in more than one year	-	(4,000)	(4,000)
Total 2022	1,309,741	1,396,576	2,706,317

23. Reconciliation of net movement in funds to net cash flow from operating activities

	2023 £	2022 £
Net income/(expenditure) for the year (as per Statement of Financial Activities)	**35,000**	(559,630)
Adjustments for:		
Depreciation charges (note 15)	**6,444**	5,945
(Gains)/losses on investments (note 16)	**(109,310)**	368,377
Dividends, interests and rents from investments (note 6)	**(174,308)**	(122,433)
Profit on the sale of fixed assets (note 11)	**(90,000)**	-
Decrease in debtors (note 17)	**3,535**	27,412
Increase in creditors (note 19)	**1,101,086**	88,531
Defined benefit scheme finance cost adjustment (note 26)	**-**	1,528
Net cash provided by/(used in) operating activities	**772,447**	(190,270)

24. Analysis of cash and cash equivalents

	2023 £	2022 £
Cash in hand	**801,502**	492,809
Notice deposits (less than 3 months)	**1,150,794**	107,985
Total cash and cash equivalents	**1,952,296**	600,794

25. Analysis of changes in net debt

	At 1 January 2023 £	Cash flows £	At 31 December 2023 £
Cash at bank and in hand	**492,809**	**308,693**	**801,502**
Liquid investments	**107,985**	**1,042,809**	**1,150,794**
	600,794	**1,351,502**	**1,952,296**

26. Pension commitments

The Association is a participating employer the Baptist Pension Scheme ("the Scheme"), which is a separate legal entity administered by the Pension Trustee (Baptist Pension Trust Limited). The assets of the Scheme are held separately from those of the Employer and the other participating employers.

The Scheme, previously known as the Baptist Ministers' Pension Fund, started in 1925, but was closed to future accrual of defined benefits on 31 December 2011. Prior to this date the main benefit provided through the Defined Benefit (DB) Plan was a pension of one eightieth of final minimum pensionable income for each year of pensionable service together with additional pension in respect of premiums paid on Pensionable Income in excess of Minimum Pensionable Income.

From January 2012, pension provision is being made through the Defined Contribution (DC) Plan within the Scheme. 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 Broadstone Corporate Benefits Ltd. 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 Scheme members if 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 Aviva Limited. Members of the Basic Section pay reduced contributions of 5% of Pensionable Income, and their employers also pay a total of 5%.

The Scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. Because it is not possible to attribute the Scheme's assets and liabilities to specific employers, the scheme is accounted for as if the Scheme were a defined contribution scheme.

The Regional Ministers and members of the Association staff team are eligible to join the Scheme.

The table below summarises the main results of the most recent actuarial valuations of the BUSPS and the Defined Benefit (DB) Plan in the BPS. These valuations were performed by a professionally qualified Actuary using the Projected Unit Method:

	BPS DB Plan	BUSPS
Date of valuation	31 December 2019	1 January 2017
Date of next valuation	31 December 2022	N/A scheme is in wind-up
Market value of scheme assets (A)	£298m	£10.3m
Technical provisions (B)	£316m	£16.2m
Deficit [(B) - (A)]	£18m	£5.9m
Funding level [(A) / (B)]	94%	64%

26. Pension commitments (continued)

Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability. The movement in the provision is set out in the table below.

	2023	2022
	£	£
Balance Sheet liability at the start of the year	**-**	81,600
Minus deficiency contributions paid	**-**	(10,468)
Interest cost (recognised in SoFA)	**-**	1,528
Remaining charge to Balance Sheet liability* (recognised in SoFA)	**-**	(72,660)
	-	-

* Comprises any change in agreed deficit recovery plan and change in assumptions between year-ends.

Recovery Plan

In addition to the contributions to the DC Plan set out above, where a valuation of the DB Plan reveals a deficit the Trustee and the Council agree to a rate of deficiency contributions from churches and other employers involved in the DB Plan. Following the 2019 valuation a Recovery Plan was signed in September 2020 under which deficiency contributions are payable until June 2026. These contributions were broadly based on each employer's membership at 31 December 2014 and increase annually in line with increases to Minimum Pensionable Income as defined in the Rules.

On 30th June 2022 the Baptist Pension Scheme signed an agreement with the insurance company Just Group ("Just") to secure DB Plan members' pension benefits. Just are now providing financial backing for all pensions provided through the Scheme's DB Plan and following this transaction, the Scheme no longer has a shortfall. An updated Recovery plan was then signed in August 2022 under which recovery contributions from each participating employer in the DB Plan reduced to £1 per month from August 2022.

The Baptist Pension Scheme, pension authorities and actuaries met in December 2023 and confirmed a statement of contributions has been agreed and there is no deficit in the plan.

The key financial assumptions underlying the valuations were as follows:

Type of assumption	**BPS % pa**	BUSPS % pa
RPI price inflation assumption	**3.20**	3.45
CPI price inflation assumption	**2.70**	2.70
Minimum Pensionable Income Increases (BPS only)	**3.20**	N/A
Pensionable Salary increase (BUSPS only)	**N/A**	3.70
Assumed investment returns		
- Pre-retirement	**2.95**	3.50
- Post retirement	**1.70**	2.25
Deferred pension increases		
- Pre April 2009	**3.20**	3.45
- Post April 2009	**2.50**	2.50
Pension increases		
- Pre April 2006	**2.70**	3.25
- Post April 2006	**2.70**	2.15

Mortality is assumed in accordance with 80% of the S3NA standard mortality table. Future improvements projected from 2013 in line with the “CMI 2019” projection with a long-term rate of improvement of 1.75% p.a. for males and 1.5% p.a. for femaleswith the core smoothing parameter and with additional initial mortality improvement factor A=0.5%.

The next actuarial valuation of the DB Plan within the Scheme will commence in 2023 to reflect the position as at 31 December 2022.

As there are numbers of contributing employers participating in both the BPS and the BUSPS, the Charity is unable to identify its share of the underlying assets and liabilities of the schemes. Accordingly, the SoFA charge for the year represents the employer contributions payable. The total pension cost for the Charity in the year were £23,915 (2022: £23,643) for the BPS.

27. Operating lease commitments

At 31 December 2023 the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2023 £	2022 £
Not later than 1 year	**1,656**	414
Later than 1 year and not later than 5 years	**1,242**	4,554
	2,898	4,968

28. Related party transactions

The Charity is a member of the Baptist Union of Great Britain and is in receipt of grants from the Home Mission Fund which is part of the Baptist Union. Grants of £242,700 (2022: £226,619) were received in this respect.

Trustees of the Charity are drawn from the membership of the local Baptist Churches and there are therefore, from time to time, grant awards made to benefit either the individual or the church. There is a formal process in relation to grant applications which helps to ensure that any conflict of interest is mitigated by the exclusion of the conflicted individual in the decision making process.

The CST Corporate Trustee Limited

The CST Corporate Trustee Limited is a trust corporation constituted as a Company limited by guarantee of which The Heart of England Baptist Association is the sole member and director.

Included within other creditors is an amount of £1,352,670 (2022: £464,424) held on behalf of the Cannon Street Trust.

The Cannon Street Baptist Chapel Trust

The following church buildings, all within Birmingham, except Smethwick, are held on the CST (1877) according to the terms of that Trust. The buildings are occupied by the churches on the equivalent of fully insuring and repairing leases at a peppercorn rent. The 'leases' expire when the churches no longer require the property.

Birmingham Central Baptist Church
Cannon Street Memorial Church
Castle Bromwich Baptist Church and Manse
Church of the Redeemer
City Road Baptist Church
People's Chapel and Manse
Small Heath Baptist Church
Smethwick Baptist Church
Stratford Road Baptist Church

The Heart of England Baptist Association is in the process of transferring the trusteeship of the churches held on the Cannon Street Trust to The CST Corporate Trustee Limited.

The properties already transferred are:-
Birmingham Central Baptist Church
City Road Baptist Church
Small Heath Baptist Church
Smethwick Baptist Church

Umberslade Endowment Charity

The Trustees of The Heart of England Baptist Association are also Trustees of the above named Charity which is registered with the Charity Commission. There are no transactions between the two entities but The Heart of England Baptist Association oversees the activity of the Charity.

29. Controlling party

The Charity is ultimately controlled by the Board of Trustees.

30. Company limited by guarantee

The Charity is a Company limited by guarantee and does not have share capital.

THE HEART OF ENGLAND BAPTIST ASSOCIATION

Appendix 1 - Grants Paid during the year

Grants to Churches	Unrestricted	Designated from Missions Grant	Designated	Restricted	2023 Total	2022 Total
Alvechurch					**-**	300
Baddeley Edge		9,143			**9,143**	7,796
Bearwood	1,000				**1,000**	-
Black Country Urban Industrial Mission		6,188			**6,188**	6,188
Castle Bromwich		4,417			**4,417**	-
Chelmsley Wood		1,325			**1,325**	2,475
Cornerstone, Oswestry		-			**-**	3,713
Darkhouse		5,963			**5,963**	6,000
Delves, Walsall		6,625			**6,625**	4,125
Ewyas Harold		2,267			**2,267**	3,589
Far Forest		14,656		1,748	**16,404**	15,321
Gateway to Hope		-			**-**	6,188
George Road Community Church		6,625			**6,625**	4,873
Glebe Farm Pioneer		16,404			**16,404**	15,321
Keele University LEP		6,000			**6,000**	5,500
Limbrick Wood, Coventry		-			**-**	3,300
Newport			-		**-**	330
Radford Semele	-				**-**	425
Rising Brook re. Pioneer Grant		5,000			**5,000**	8,692
Six Ways re. Castle Vale Project			-		**-**	4,125
Six Ways re. Castle Vale Project		15,669			**15,669**	15,629
Walsgrave	1,000				**1,000**	-
Warley		-			**-**	1,021
Wednesbury		5,963			**5,963**	8,251
Wolston		6,625			**6,625**	3,611
Wolvey			-		**-**	1,000
Yardley Wood		2,500			**2,500**	2,500
Grants to Individuals						
Rev. Alison McKay	250				**250**	-
Rev. Kirsteen Macaulay	500				**500**	500
Rev. Peter Maycock (Queens Foundation)	500				**500**	1,000
Rev. Simon Harry	88				**88**	312
Rev. Leone Martin	500				**500**	500
Madlen Purcell (Helen Youth Fund)				1,081	**1,081**	-
Caitlin Norman (Helen Youth Fund)				500	**500**	-
Grants to Organisations						
B.C.C.E. & C.L.A.S.P.			669		**669**	638
Churches together in Shropshire			2,000		**2,000**	2,000
Churches together in Hereford			750		**750**	750
Birmingham Churches Together			3,216		**3,216**	-
Faith at Work in Worcestershire			6,500		**6,500**	4,875
Telford Christians Together			4,400		**4,400**	8,092
Urban Expression			7,570		**7,570**	-
West Mids FE Chaplaincy			3,000		**3,000**	1,500
Workcare			-		**-**	5,250
Ministry among the Deaf Expenses	28,594				**28,594**	24,457
	32,432	**115,370**	**28,105**	**3,329**	**179,236**	**180,147**

THE HEART OF ENGLAND BAPTIST ASSOCIATION

APPENDIX 2: PROPERTIES FOR WHICH HEBA WAS OWNER/HOLDING TRUSTEE 31.12.2023

C = Conservation area **L** = Listed

Name	Details
Acocks Green L	Chapel, School Hall, Manse
Alvechurch C	Chapel, Schoolrooms, land at rear, Manse
Attleborough	Church, other properties, Manse
Ashmore Park	Chapel, Hall
Austrey L	Church Buildings
Baddeley Edge	Chapel
Baptist Church Centre Handsworth	Church
Barnt Green	Chapel, land at rear
Bearwood	Church and School Hall
Bedworth	Chapel and School Hall, Manse
Bilston	Church and halls, Manse
Binley Woods (LEP)	Manse
Bridgnorth L	Chapel, Offices
Brierley Hill	Chapel, Schoolrooms, Burial ground
Bromsgrove	Chapel and School Hall Manse
Butt Lane, Stoke-on-Trent	Chapel and School Hall
Cannon Street Memorial	Manse and house
Carters Lane	Chapel and School hall
Castle Hill, Warwick C	Church, other properties, Manse
Catshill	Chapel and halls, burial ground, Manse
Cedar Church, Kingstanding	Chapel and Hall
Chadsmoor	Chapel, Schoolrooms

Chase	Chuch
Chelmsley Wood	Church Centre, Manse
Chester Road,	Chapel, Manse
Chorley	Chapel, Burial Ground
Cristchurch LEP, Hall Green	Chapel, Hall, Manse
City Road	Manse
Darkhouse	Chapel, School Hall and small burial ground Graveyard, Bell St
Dawley	Church, School Hall and Burial Ground, Manse
Donnington Wood	Chapel
Edward Rd L	Chapel and Schoolrooms
Erdington, Six Ways	Chapel, School Halls, Manse
Ewyas Harold	Church, Manse and Land adjoining
Far Forest	Church
Fenton	Chapel and School Hall
Fordhouses Wolverhampton	Chapel and School Hall, Manse
Four Oaks	Chapel and Halls, House
George Road Community Church	Church and hall
Grace Community Church	Church building and land abutting church
Grenfell	Chapel, Land adjoining, House
Hope Stourbridge	Chapel, School Hall, Manse
Hanley, Stoke-on-Trent	Church Centre
Harborne	Church and Halls, other properties, Manse
Hearsall	Manse
Kenilworth	Church
Highgate	Church, hall and flat above.
Hockley Heath	Church Hall, land Adjoining
Kings Community Church	Church and Schoolroom

Kings Norton	Chapel, School Hall and land adjoining, Manse
Ledbury L	Church, Manse and additional house
Lentons Lane, Coventry	Church, School Hall, additional land, Manse
Limbrick Wood	Church and Hall, Manse
Londonderry	Church and hall
Longbridge	Chapel and Hall, Manse
Longford	Salem: School Halls Union Place: Church, hall and burial ground
Ludlow	Church Centre
Netherton, Ebenezer	Chapel and Schoolroom
Lodge Farm, Netherton	Church Hall
Messiah, Netherton	Burial Ground
New Christ Church, Aston	Chapel, Manse
Newbridge	Chapel, School Hall, Manse
Newcastle-under-Lyme	Church
New Life, Kings Heath	Church, Manse and 2 houses
Newport	Church Building and site
Northfield	Church and halls, manse, Other land
Olton	Offices
Oswestry C	Church Building
Overslade	Church Hall
Perry Beeches	Chapel
Providence	Chapel, and burial ground, Manse
Polesworth	Church, School Hall and burial ground
Pontesbury	Chapel and Burial Ground, Manse
Rugby L	Chapel and School Halls
St Peter's Worcester	Church, Manse
Saltley	Chapel, Manse

Sandon Road, Stafford	Chapel and School Hall, 2 Houses
Selly Park	Chapel and School Hall, Manse (co-trustee)
Shrewsbury C	Claremont site (C): Chapel Crowmoor site: Church
Stechford	Chapel, Manse
Stoke Baptist Church	Church,
Tabernacle Wolverhampton	Chapel and School halls, car park, Manse
Tamworth	Chapel
Walsall, The Delves	Site, Chapel, Church Hall, Manse
Walsgrave	Chapel and School Hall, Manse
Warley	Chapel and School Halls and land adjoining, Manse
Wednesbury	Chapel, Manse
West Bromwich	Chapel, Manse
Westmancote Burial Ground	CC Order 2004. Co-Trustees with Official Custodian
Wolston C	Chapel, Burial Ground
Word of Spirit and Life Church,	Church
Yardley	School Hall, Manse
Yardley Wood	Chapel, Manse

THE HEART OF ENGLAND BAPTIST ASSOCIATION

England & Wales - Charity number 1080529

Accounts

ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

The Heart of England Baptist Association
Registered Charity Number: 1080529 Registered Company Number: 00238738
Registered Office: 480 Chester Road, Sutton Coldfield B73 5BP

THE HEART OF ENGLAND BAPTIST ASSOCIATION

(A Company Limited by Guarantee)

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

The Trustees, who are directors for the purposes of company law, are pleased to present the Annual Report and Financial Statements of the charitable company for the year ended 31 December 2022, which are prepared to meet the requirements for a Director's Report and accounts for Companies Act purposes. References to 'HEBA' throughout this report refer to the Heart of England Baptist Association.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Articles of Association and 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102).'

Objectives and Activities

The Objects of this charitable company are the advancement of the Christian faith, particularly in the Heart of England and especially by the means of and in accordance with the principles of the Baptist denomination as set out for the time being in the Declaration of Principle of The Baptist Union of Great Britain (BUGB).

The values espoused by the Trustees of the charitable company are Companionship, Generosity, Diversity, Learning and Innovation. These values are continually presented to churches for their encouragement and so that they understand the principles guiding the work of the charitable company. The values are presented at events to which churches are invited, through the regular mailings to churches, through the work of the HEBA office team and Regional Ministers and on the Trustees' social media outlets and channels.

The principal activities of the charitable company are the employment of a Regional Ministry and administrative staff team and the organisation of a number of volunteers, working in groups or individually, to offer support and guidance, training and financial resources to advance the Christian faith in a way which benefits Baptist churches and the communities they serve.

The charitable company is part of the family of Baptist organisations serving the needs of many of the Baptist churches in Great Britain, working particularly closely with the Baptist Union of Great Britain (BUGB). The charity has a linked charity, the Heart of England Baptist Association Loan Fund (1080529-1) and the Trustees are also Trustees of the Umberslade Church Endowment (255061) and Directors of the CST Corporate Trustee Limited (11454313).

The charitable company aims to

- Co-operate with churches directly and through working groups by providing information and support and by passing appropriate resolutions to enable building development projects, including Sustainable Energy Funding. Many of these projects are directly aimed at making church buildings more accessible and available to the local community.
- Assist churches and ministers that are seeking new ministries through the Baptist National Settlement process.
- Assist individuals who are exploring a call to any Baptist ministry by signposting various routes to recognised Baptist ministry, interviewing candidates, supporting ministerial candidates and providing BUGB approved training for preachers and pastors.
- Make Safeguarding training available on a rolling programme, encouraging and enabling ministers and members of churches to receive training. This included the use of supported online training for part of the year.
- Provide Safeguarding support to churches when incidents/suspected incidents arise.
- Mediate disagreements arising within churches or between churches and their local community.
- Encourage the HEBA Grants Committee as it continues to seek creative ways of supporting churches in their mission using Baptist Home Mission and Association funds.
- Ensure, through its Finance Working Group, responsible and effective stewardship of the resources of the charitable company.
- Encourage churches to support Baptist Home Mission and BMS World Mission through prayer, direct partnership with mission personnel and financial gifts, so that the Gospel of Jesus Christ can continue to be shared in the UK and abroad.
- Co-operate with other Baptist organisations and other denominations where this supports the objects of the Association.
- Receive and consider reports from all Working Groups and the Regional Ministers, enabling the charitable company to maintain effective governance, including receiving reports on the staff appraisals, budget proposals, safeguarding issues and other work with churches as appropriate.

- Support the staff employed by the charitable company through the provision of appropriate training and support, and provision of clear and effective staffing and other policies.
- Seek appropriate and timely legal advice on issues having a potentially wide-ranging effect with a view to understanding and, where possible, mitigating their risk.
- Continue to explore ways in which the Trustee Board can become even more effective in governing the charitable company and in their strategic planning.

Public Benefit

The Trustees, having regard to the Charity Commission's guidance document, 'public benefit: running a charity (PB2)', continued to provide public benefit by seeking to advance the Christian faith and practice in accordance with the objects of the charitable company.

The Trustees sought to achieve this in several ways including:

- encouraging churches to adopt robust safeguarding policies and practice through the provision of training for church members, ministers and pastors;
- keeping appropriate safeguarding records, including documents kept in long-term secure systems;
- acting to provide help and support to churches seeking to improve their own governance, projects or buildings.
- holding staff accountable for their support for churches seeking to advance the Christian faith in their communities;
- funding - in partnership with other organisations - the continued provision of a Baptist minister for deaf and deafened people in Stafford; and
- encouraging churches and ministers through the annual Ministers' Conference, theological reflection days, interaction with Regional Ministers and other staff and themes pursued at all joint events, to engage effectively and serve their local communities.

Achievements and Performance

Having been given notice to leave their rented office space, the Trustees undertook a robust analysis of the needs of the charitable company, drew up criteria to cover these needs and undertook a search for accommodation, with a move being undertaken at the end of 2021. After renting the premises at 480 Chester Road, Sutton Coldfield for a few months, the Trustees completed the purchase of the property on 1 July 2022, using the funds for the sale of two houses. They agreed that the Administration Team would work from the new office each Wednesday and from home for the rest of the week and this has proved a productive form of hybrid working. This team, with the help of some committed volunteers, worked particularly hard during the move to the new premises, including advising on fitting out the new space in a cost effective and attractive way, and the Trustees are grateful for their commitment to this project which was undertaken alongside their other work.

The Trustees support three Regional Ministers (RMs) in their work through the provision of assistance in housing, in training and in permitting them to take sabbatical leave. The Association's foundational value is 'companionship' and the Regional Ministers seek to embody this in their work with churches and ministers. Included are regular engagements with church leadership teams, congregations and ministers, with the Regional Ministers supporting them generally and as they have sought new ministry or a change to ministry, and as they considered how to move forward in their mission as the special rules relating to the coronavirus pandemic came to an end. They also helped churches with internal conflicts, offering mediation and comfort to members and ministers. Simon Jay was appointed to specifically support and walk with the pioneers working in HEBA.

The Trustees also continued to encourage online and in person training, meetings and conferences, during the year, including a successful Women's Conference and a meeting of the HEBA Justice Hub. They particularly encouraged the Disability Task Group during the year, as they sought to promote awareness around issues of disability justice in order to enable full participation and equality for disabled people in our churches.

The charitable company, through its Regional Ministers, continued to support ecumenical work across the whole area of the Association, for example, all RMs serve on ecumenical bodies in the region during the year. The Trustees and staff team continued to support, with ecumenical and Baptist partners, the ministry of Revd Susan Myatt, Baptist

Minister Amongst the Deaf, financially and through prayer. A significant gathering was the first 'West Midlands Summit' of regional leaders in Christian ministry and this was attended by the 3 Regional Ministers.

During the year the Ministerial Recognition Group commended four people for training to become 'fully accredited Baptist ministers' and three people to train as 'nationally recognised pastors'. Seven 'newly accredited ministers' were interviewed and commended to the Baptist Union for transfer to the 'fully accredited ministry' list.

Two symposiums were held, one on 'Disability' and led by Martin Hobgen to reflect the Justice theme for 2022, and one on 'The Church Meeting' and led by the Regional Ministers. The Ministers' Conference was held at the Hayes, Swanwick with Chris Duffett speaking on 'I am who you say I am' and attended by 87 people over 48 hours.

Each of the Regional Ministers are members of National Baptist Groups and they along with other volunteers attended gatherings in person and on-line during the year.

Two 'retired minister lunches' were held and these were organised for HEBA by Rev Darren Smith, the minister of Worcester Baptist Church.

The charitable company continued to model an organisational culture which prioritises safeguarding through their encouragement and support of churches to provide a safe and trusted environment for all those they come into contact with, particularly children, young people and Adults at Risk. During 2022, the charitable company provided safeguarding training for 861 individuals from 62 churches/organisations at 29 Level 2 training events and 10 Level 3 training events, as well as 76 online Question and Answer groups. Revd Duncan MacLean served as Trustee for Safeguarding and Mr Keith Baldwin continued to serve as Safeguarding Officer and also delivered training. The Trustees are grateful to all the volunteer trainers who provide excellent training to the churches of the Association.

The charitable company, through its Grants Group, provided grants to 23 churches and projects, 4 grants to individuals and 7 grants to organisations (see appendix 1). This Group consulted the BU Environmental Network in drafting new terms for the HEBA Sustainability Grants which were agreed by the Finance Working Group. They further considered the budgetary constraints of the Association and the need to contract the grant funds available to churches in future years.

The work of the Grants Group is directly overseen by the Finance Group, which ensured that all funds were being held and spent appropriately. They reviewed budgets at each meeting and established a Budget Review Group during the year, whose work encouraged the Trustees to start a fully review of the priorities and structure of the charitable company. The Finance Group supported efforts to recruit replacements for the Finance Manager and the Association Treasurer, who were both retiring. They offered support to the staff team during the period when there was no Treasurer, including assisting the preparation of a letter to the member churches sent in November, which highlighted the deficit and need for cost efficiencies. They were pleased to welcome Mr Tom Russell to the team as Interim Finance Manager in September and have encouraged him in his work. They were also pleased to acknowledge the start of the process of appointment of a new Treasurer, Mrs Mercy Otieno, who was affirmed as a Trustee in 2023.

The charitable company's book-keeping and account-production services to member churches continued, and at the end of the year had produced accounts for one church and was undertaking book-keeping for three churches. The Payroll Service offered to churches and projects also continued, and at the end of the year, payroll services were being undertaken for 60 churches/projects (102 individuals).

The charitable company, through its Trust Working Group (TWG), gave consideration and practical assistance to over 30 churches involved in building purchase, disposal and development; changing their legal structure and amending their structure. It continued to offer support to churches with dilapidated burial grounds. The transcription of the church trusts details into electronic form was not completed during 2022 due to lack of capacity. TWG supported the Trustees in the process towards eviction of a tenant and sale of that property and in the purchase of the Association office.

A new volunteer was recruited to join the Group during the year and new Terms of Reference for the Group were drafted by TWG and adopted by the Trustees. Following advice from the solicitor to the charitable company, Mr Roger Wiliams of DWF, that he would be retiring, the TWG established a task group to interview other practices and

recommend an appointment. Through a robust and interesting process, Shakespeare Martineau were appointed. The Trustees and Group are grateful to Roger for his 20 years of service and that Solicitors from Shakespeare Martineau attend each meeting of the TWG as Roger Williams had.

A memorial ceremony was led by Rev Adrian Argile at Witton Cemetery to reinter the human remains from Freeman Street Baptist Church following their discovery in the construction of the HS2 station in Birmingham.

The charitable company completed the following of its plans for the year:

- Moving the Association Office and purchasing a property;
- Undertaking training for staff and Trustees in data protection and reviewing policies and procedures in light of this training;
- Undertaking training for staff and Trustees in equality, diversity and inclusion and reviewing policies and procedures in light of this training; and
- Holding an in person AGM and adopting new Articles of Association and Rules.

Risk Review

The charitable company continued to review its Risk Management Matrix at least three times a year. The full migration of IT services to the cloud enabled staff to work effectively from home and also reduced the risk posed by having all back up recording on hardware.

Significant risks identified during the year were:

- The possibility of incidents or accidents in dilapidated burial grounds where the charitable company is holding Trustee remains an ongoing concern;
- Censure arising from a failure to properly implement the requirements of the General Data Protection Regulations has been identified as a risk to the charitable company. The charitable company obtained training to help mitigate these risks. Having said that, one data breach was reported to the Data Protection Lead though a report to the ICO was not required;
- The risk of reputational damage to the Gospel, the charitable company and the Baptist movement arising from a safeguarding incident in a church remains high and is a driving factor behind the charitable company's investment in safeguarding training for church ministers and members. One Serious Incident Report was made to the Charity Commission during the year;
- Staff turnover and inability to replace key staff or volunteers. The Trustees advertised three times for a replacement Finance Manager when Mrs Sue Coates announced her retirement. They were unable to appoint, but were grateful to God that Mr Tom Russell, a Baptist Church Treasurer, was willing to join the staff team during September on an interim basis. The Trustees are grateful to Sue for the support she has given to Tom and her continued involvement in special projects on a volunteer basis. They are also grateful to the whole staff team for their hard work during periods of ill health of colleagues, which indicates the robustness of the Trustees' systems in mitigation of this risk; and
- The Trustees have committed to reducing the deficit in the accounts to zero.

Financial Review

During 2022 the overall funds of the Association decreased by £486,970 to £2,706,317 (£3,193,287 in 2021)

General fund income was £315,595. Expenditure totalled £469,159 resulting in a loss of £153,564. Net losses on investment assets totalled £368,377 reflecting the downward pressures in the financial markets during the year. A net gain of £72,660 resulting from a change in the agreed pension deficit recovery plan was included. The General Fund at the year-end was £563,912.

The Net Movement on Designated Funds was £19,836 excess of expenditure over income. This was primarily due to the ongoing use of the Mission Development Fund for grants to church and other mission projects. At the year end the total balance of designated funds was £745,829.

Other income and expenditure in the Restricted Funds primarily relate to income and expenditure for the Retired Ministers and Missionaries Housing Fund and Atch Lench Baptist Trust expenditure for mission. There have been no loans from the Heart of England Loan Fund. The net movement across the restricted funds was £17,853. At the year end the balances across the restricted funds was £1,396,576.

The Association is part of a very complex multi-employer defined benefit pension scheme comprising approximately 1200 employers. See Note 26 in the Financial Statements.

Investment powers, policy and performance

The Trustees have appointed Redmayne Bentley as Investment Managers for the Association's investment portfolio. The managers have discretionary powers to invest in line with the Investment Policy which is classed as medium risk and aims for moderate growth in income whilst at least maintaining capital values over the medium to long term.

Reflecting the ethos of the Association, an ethical investment policy is in place to guide the investment manager. This focuses on positive aspects such as good governance and good working practices as well as excluding sectors which do not fit with the Association's ethos.

During the year, the portfolio return (total return basis) decreased by 1.45%, against the portfolio benchmark return, which increased by 0.66%.

The Association continued to maintain substantial balances on notice and term deposits. Most of these funds represent balances held on behalf of churches where minimal capital risk is important.

Reserves policy

The Trustees consider a reserve of one year's costs is required to ensure a managed exit from all existing agreements and contracts. One year's costs is the total general fund expenditure excluding one off events and including one year of grant funding from the Association's own resources (£0.153m), where grants are expected to be needed beyond the current year. This latter is to reflect commitments, often staff related, which have been entered into by grant receiving churches. On this basis reserves of £0.622m are required. Excluding fixed assets and restricted funds the Association's free reserves were negative at £0.216m. The reduction in cover of reserves required was the result of the Trustees intentional strategy to reduce the reserves on a managed basis whilst ensuring capacity to generate sufficient funds in the future. However, the extent of the decrease was not anticipated and was due to other extenuating events outside of the Association's control including significant reduction in income, inflationary cost increases and unrealised losses from movements in our investments portfolio. The Trustees are actively seeking to redress reserves to acceptable levels through the sales of properties, undertaking a review of the future costs and structure of the Association, cash levels and improved investment performance.

Plans for future periods

During 2023, the charitable company will seek to continue to fulfil its objects in creative ways that will assist in the advancement of the Christian faith and the enrichment of church and community life in the Heart of England.

This will include:

- undertaking a review to establish the resonance of the strategic priorities, values etc with the member churches
- Complete review of Terms of Reference of Working Group
- Focus on our core value of Companionship
- Continue working towards reducing the large budget deficit
- Board recruitment
- Further develop the Justice Hub, launch women's year of justice, develop young people's involvement

- Update and implement communication strategy
- Help our churches better understand what it means to be a Baptist church

Structure, Governance, Management

The charitable company is governed by its Articles of Association and Rules of 20 April 2022.

The Objects of this charitable company are the advancement of the Christian faith, particularly in the Heart of England and especially by the means of and in accordance with the principles of the Baptist denomination as set out for the time being in the Declaration of Principle of The Baptist Union of Great Britain.

Trustees' Interests

No Trustee had any beneficial interest in the charitable company or in any contract or arrangement of a material nature with the charitable company during the year under review. Declarations of Loyalty and Interest are required at the start of every meeting of Trustees and Working Groups and the Association Administrator also asks Trustees to update their written Declarations of Loyalty and Interest on an annual basis.

Recruitment, appointment, induction and training of Trustees

The charitable company is run by its Board of Trustees who are also directors. They held five meetings during 2022.

The Trustees use their Skills Audit in the process of recruiting new members of the board. Trustees are recruited through invitations to member churches to nominate people whom they believe to be appropriate for the task. Nominees are sent copies of the charitable company's Articles of Association and its Conflict of Loyalty and Interests policy and are asked to complete and sign the Declaration of Qualification to serve as a Trustee. They usually have a meeting with the Moderator of the Board of Trustees and are advised that appropriate checks will be undertaken to confirm that they are eligible to serve in this capacity. If, after this, they still wish to serve, the churches of the Association are invited to affirm the nominees by email or letter to the Administrator/Company Secretary. On appointment, they are invited to a formal induction meeting with the Administrator/Company Secretary who signposts essential documents available from the Charity Commission, Companies House and BUGB websites, as well as providing an overview of the activities of the charitable company.

The Association Administrator who is also the Company Secretary assisted all Trustees by signposting documents and conferences to help them in their work. This includes circulating information from the Charity Commission, Companies House, some third sector organisations and the Churches' Legislation Advisory Service, and advising them of seminars and training that they could attend.

Trustees at 31 December 2022

The Trustees (excluding the Ex-officio trustee), the Moderator and the Treasurer will be elected for a three-year term by a resolution of the Members.

The Revd Duncan MacLean	Moderator
Vacant	Treasurer
The Revd Adrian Argile	Regional Minister – Team Leader
The Revd Glenford Gordon	Affirmed by the members of the charitable company
Mrs Joanne Green	Affirmed by the members of the charitable company
Revd Terry Lockyer (appointed 17 October 2022)	Affirmed by the members of the charitable company
Revd Antony Maude (appointed 2 February 2022)	Affirmed by the members of the charitable company
Mrs Judith Miller	Affirmed by the members of the charitable company
The Revd Dr Edward Pillar	Affirmed by the members of the charitable company
The Revd Amy Wearing (appointed 2 Feb 2022)	Affirmed by the members of the charitable company
Mercy Otieno Mbajah (appointed 20 January 2023)	Affirmed by the members of the charitable company

Retired during the course of the year

Mrs Doreen Walker	Until 6 June 2022
Mr Eddy Rye	Until 1 September 2022

Association Information

Registered Charity Number	1080529
Registered Company Number	00238738
Registered Office	480 Chester Road, Sutton Coldfield, West Midlands B73 5BP
Other Office Holders	
Company Secretary/Administrator	Miss Karen Martindale
Regional Ministers serving the Association during 2022	The Revd Adrian Argile The Revd David Ellis The Revd Neil Le Tissier
Legal Advisors	DWF (until 7 August 2022) 1 Snowhill, Snow Hill Queensway, Birmingham B4 6GA Shakespeare Martineau (from 8 August 2022) Waterfront House, Waterfront Plaza, Nottingham NG2 3DQ
Surveyor/Valuer	Shaw Gilbert & Froggatt 4 Warstone Parade East, Warstone Lane, Birmingham B18 6N
Auditor	MHA Moorgate House, 201 Silbury Boulevard, Milton Keynes, MK9 1LZ
Bankers	HSBC Bank plc, 186 Broadway, Didcot OX11 8RP
Stockbrokers/Investment Advisors	Redmayne-Bentley LLP, 9 Bond Court, Leeds LS1 2JZ

Related Parties

The charitable company is a member of the Baptist Union of Great Britain, paying a subscription to this charity. Funds from the Home Mission Fund, which is the principle working fund of the BUGB, are received by the charitable company and dispersed by its Grants Group.

The Registered Office of the charitable company is in property owned by the charitable company

The charity has a linked charity, the Heart of England Baptist Association Loan Fund (1080529 -1) and the Trustees are also Trustees of the Umberslade Church Endowment (255061) and Directors of the CST Corporate Trustee Limited (11454313).

Key Management personnel remuneration

The charitable company consider their key management personnel to be:
The charitable company's board of Trustees

The pay and remuneration of the employees of the charitable company is set by the charitable company through the Board and its Finance Group and is based upon the Baptist Home Mission recommended stipend.

Persons of Significant Control (PSC) Register

The charitable company knows or has reasonable cause to believe that there is no registrable person or registrable relevant legal entity in relation to the charitable company

Directors' responsibilities in relation to the financial statements

The Trustees (who are also directors of The Heart of England Baptist Association for the purposes of company law) 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).

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 and of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They 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.

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- 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

Auditors

Following a rebranding exercise on 15 May 2023 the trading name of the company's independent auditor changed from MHA MacIntyre Hudson to MHA. A resolution to reappoint MHA as independent auditor will be proposed at the next Annual General Meeting.

This report was approved by the Board on 15th Sept 2023.

Signed

J. Miller

Mrs Judith Miller
Moderator of the Association

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE HEART OF ENGLAND BAPTIST ASSOCIATION

Opinion

We have audited the financial statements of The Heart of England Baptist Association (the 'Charitable Company') for the year ended 31 December 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, 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 Auditors' 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 United Kingdom, including the Financial Reporting Council'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 AUDITORS' REPORT TO THE MEMBERS OF THE HEART OF ENGLAND BAPTIST ASSOCIATION (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion 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 for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

- the information given in the Trustees' Report 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, and
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

Responsibilities of Trustees

As explained more fully in the Trustees' Responsibilities Statement, 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE HEART OF ENGLAND BAPTIST ASSOCIATION (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

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

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

- obtaining an understanding of the legal and regulatory frameworks that the Charity operates in, focusing on those laws and regulations that have a direct effect on the financial statements;
- enquiring of management and Trustees around known or suspected instances of non-compliance of laws and regulations and fraud;
- discussing amongst the engagement team regarding how and where fraud might occur in the Charity financial statements and any potential indications of fraud;
- reviewing minutes of meetings of those charged with governance; and
- performing audit work in relation to the risk of management override, including testing of journal entries and other adjustments for appropriateness and reviewing accounting estimates or bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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 Auditors' Report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE HEART OF ENGLAND BAPTIST ASSOCIATION (CONTINUED)

Use of our report

This report is made solely to the Charitable Company's Trustees, as a body, in accordance with Chapter 2 of Part 16 of the Companies Act. Our audit work has been undertaken so that we might state to the Charitable Company's Trustees those matters we are required to state to them in an Auditors' 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 Charitable Company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Elizabeth Newell BA (Hons) FCA (Senior Statutory Auditor)

For and behalf of **MHA**

Chartered Accountants
Statutory Auditors

Milton Keynes, United Kingdom

Date: 19 September 2023

MHA is the trading name of MacIntyre Hudson LLP, a limited liability partnership in England and Wales (registered number OC312313).

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:					
Donations and legacies	4	**231,962**	**-**	**231,962**	243,381
Charitable activities	5	**41,726**	**-**	**41,726**	37,510
Investments	6	**117,005**	**5,428**	**122,433**	131,159
Other income	7	**45,010**	**-**	**45,010**	12,631
Total income		**435,703**	**5,428**	**441,131**	424,681
Expenditure on:					
Raising funds	8,9	**55,776**	**-**	**55,776**	38,851
Charitable activities	10	**553,327**	**23,281**	**576,608**	608,825
Total expenditure		**609,103**	**23,281**	**632,384**	647,676
Net (losses)/gains on investments	16	**(368,377)**	**-**	**(368,377)**	175,051
Net movement in funds before other recognised gains		**(541,777)**	**(17,853)**	**(559,630)**	(47,944)
Other recognised gains:					
Other gains	26	**72,660**	**-**	**72,660**	4,984
Net movement in funds		**(469,117)**	**(17,853)**	**(486,970)**	(42,960)
Reconciliation of funds:					
Total funds brought forward		**1,778,858**	**1,414,429**	**3,193,287**	3,236,247
Net movement in funds		**(469,117)**	**(17,853)**	**(486,970)**	(42,960)
Total funds carried forward		**1,309,741**	**1,396,576**	**2,706,317**	3,193,287

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 18 to 45 form part of these financial statements.

THE HEART OF ENGLAND BAPTIST ASSOCIATION

(A Company Limited by Guarantee)
REGISTERED NUMBER: 00238738

BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note		2022 £		2021 £
Fixed assets					
Tangible assets	15		**1,526,483**		1,139,283
Investments	16		**2,720,475**		3,036,991
			4,246,958		4,176,274
Current assets					
Debtors	17	**144,907**		172,319	
Investments	18	**80,315**		177,892	
Cash at bank and in hand	24	**492,809**		918,543	
		718,031		1,268,754	
Creditors: amounts falling due within one year	19	**(2,254,672)**		(2,166,141)	
Net current liabilities			**(1,536,641)**		(897,387)
Total assets less current liabilities			**2,710,317**		3,278,887
Creditors: amounts falling due after more than one year	20		**(4,000)**		(4,000)
Net assets excluding pension liability			**2,706,317**		3,274,887
Defined benefit pension scheme liability	26		**-**		(81,600)
Total net assets			**2,706,317**		3,193,287
Charity funds					
Restricted funds	21		**1,396,576**		1,414,429
Unrestricted funds	21		**1,309,741**		1,778,858
Total funds			**2,706,317**		3,193,287

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2022

The Trustees acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

J. Miller
.....
Mrs Judith Miller
Trustee and Moderator of the Association

Date: 18th September 2023

The notes on pages 18 to 45 form part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022

	2022 £	2021 £
Cash flows from operating activities		
Net cash used in operating activities (Note 23)	**(190,270)**	(245,618)
Cash flows from investing activities		
Dividends, interests and rents from investments	**122,433**	131,159
Proceeds from the sale of tangible fixed assets	**-**	495,400
Purchase of tangible fixed assets	**(393,145)**	(4,123)
Proceeds from sale of investments	**111,145**	297,479
Purchase of investments	**(185,382)**	(278,853)
Net cash (used in)/provided by investing activities	**(344,949)**	**641,062**
Cash flows from financing activities		
Deficiency payments against pension liability	**(10,468)**	(17,677)
Net cash used in financing activities	**(10,468)**	**(17,677)**
Change in cash and cash equivalents in the year	**(545,687)**	**377,767**
Cash and cash equivalents at the beginning of the year	**1,146,481**	768,714
Cash and cash equivalents at the end of the year	**600,794**	1,146,481

The notes on pages 18 to 45 form part of these financial statements

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

1. General information

The Heart of England Baptist Association is a private Company (limited by guarantee) incorporated in England and Wales, registration number 00238738, and is also a registered Charity in England and Wales, registration number 1080529. The registered office is 480 Chester Road, Sutton Coldfield, England, B73 5BP.

The principal activities of the Charitable Company are the employment of a Regional Ministry and administrative staff team and the involvement of a number of volunteers, working in groups or individually, to offer support and guidance, training and financial resources to advance the Christian faith in a way which benefits Baptist churches and the communities they serve.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Heart of England Baptist Association meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The financial statements are prepared in British Pound Sterling (£), which is the functional and presentational currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest £.

The Charity has taken exemption from the requirement to prepare consolidated financial statements on the grounds that the subsidiary is immaterial to the Group.

2.2 Company status

The Company is limited by guarantee. The members of the Company are the Trustees named on pages 7. In the event of the Company being wound up, the liability in respect of the guarantee is limited to £1 per member of the Company.

2.3 Going concern

The financial statements have been prepared on a going concern basis. The Trustees have considered budgets, cash flows and the impact of subsequent event. The Trustees are satisfied that the Charity has sufficient available resources, both in terms of cash and investments that can be converted to cash, such that there is no material uncertainty and the going concern basis of preparing the financial statements continues to be appropriate.

2. Accounting policies (continued)

2.4 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the Charity has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the Charity, can be reliably measured.

Donated services or facilities are recognised when the Charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the Charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102).

On receipt, donated professional services and facilities are recognised on the basis of the value of the gift to the Charity which is the amount it would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

2.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Support costs are those costs incurred directly in support of expenditure on the objects of the Company.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

All expenditure is inclusive of irrecoverable VAT.

2. Accounting policies (continued)

2.5 Expenditure (continued)

Expenditure on raising funds includes all expenditure incurred by the Company to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Company's objectives, as well as any associated support costs.

2.6 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the bank.

2.7 Taxation

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a Charitable Company for UK corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

2.8 Tangible fixed assets and depreciation

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

At each reporting date the Company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined to be the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

No value is attributed to burial grounds owned by the Company as the original cost is not known and due to the nature of the asset it is not considered possible to determine a fair value.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

Depreciation is provided on the following basis:

Freehold property	-	2%	straight line*
Fixtures and fittings	-	15%	straight line
Computer equipment	-	33%	straight line

* The depreciation charge for freehold property is £nil due to the residual value of the properties being assessed at a value at least equal to cost.

No depreciation is charged on the freehold land.

2. Accounting policies (continued)

2.9 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as gains/(losses) on investments' in the Statement of Financial Activities.

2.10 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid.

Loans to churches are concessionary loans made in furtherance of the Charity's purposes. Loans are recognised at cost as adjusted for any repayments made less impairment.

2.11 Cash at bank and in hand

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

2.12 Liabilities and Provisions

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of Financial Activities as a finance cost.

2.13 Financial instruments

The Charity only has financial assets and financial 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.

2.14 Operating leases

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

2. Accounting policies (continued)

2.15 Pensions

The Charity participates in a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Charity pays fixed contributions into a separate entity. Once the contributions have been paid the Charity has no further payment obligations. The contributions are recognised as an expenditure 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 Charity in an independently administered fund.

Prior to 2012, the pension provision was made through two multi-employer defined benefit pension plans. Where it is not possible for the Charity to obtain sufficient information to enable it to account for a plan as a defined benefit plan, it accounts for the plan as a defined contribution plan. Where the plan is in deficit and where the Charity has agreed, with the plan, to participate in a deficit funding arrangement, the Charity recognised a liability for this obligation. The amount recognised is the net present value of the contributions payable under the agreement that relate to the deficit. This amount is expensed in the Statement of Financial Activities.

2.16 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

3. Critical accounting estimates and areas of judgement

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.

Judgements in applying the entity's accounting policies:

Multi-employer defined benefit pension schemes - certain employees participate in multi-employer defined benefit pension schemes with other organisations. In the judgement of the Trustees, the Charity does not have sufficient information on the plan assets and liabilities to be able to reliably account for its share of the defined benefit obligation and plan assets. Therefore the schemes are accounted for as defined contribution schemes.

3. Critical accounting estimates and areas of judgement (continued)

Critical accounting estimates and assumptions:

Multi-employer defined benefit pension scheme - the Charity has an obligation to pay a deficit funding arrangement in respect of two-multi employer defined benefit pension schemes (Baptist Pension Scheme and Baptist Union Staff Pension Scheme). The present value of the obligation depends on a number of factors including the RPI rate and the discount rate on corporate bonds. Management estimates these factors in determining the new pension obligation in the Balance Sheet.

Useful economic lives and residual values of tangible assets - the annual depreciation charge of tangible assets is sensitive to changes in the estimated useful economic lives and the 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 economic utilisation, physical condition and future investments of assets.

4. Income from donations and legacies

	Unrestricted funds 2022 £	Total funds 2022 £
Donations		
Donations	5,343	**5,343**
Subtotal detailed disclosure	5,343	**5,343**
Home Mission Fund Grant	106,511	**106,511**
Home Mission Grant for mission	120,108	**120,108**
Total 2022	231,962	**231,962**

4. Income from donations and legacies (continued)

	Unrestricted funds 2021 £	Total funds 2021 £
Donations		
Donations	200	200
Donated assets	-	-
Subtotal detailed disclosure	200	200
Home Mission Fund Grant	123,032	123,032
Home Mission Grant for mission	120,149	120,149
Total 2021	243,381	243,381

5. Income from charitable activities

	Unrestricted funds 2022 £	**Total funds 2022 £**
Ministers' Conference	12,022	**12,022**
Other activities	29,704	**29,704**
Total 2022	41,726	**41,726**

	Unrestricted funds 2021 £	Total funds 2021 £
Ministers' Conference	10	10
Other activities	37,500	37,500
Total 2021	37,510	37,510

6. Investment income

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Retired Minister Housing Income	1,610	5,108	**6,718**
Dividends and bond interest	115,395	-	**115,395**
Interest on loans	-	320	**320**
Total 2022	117,005	5,428	**122,433**

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Retired Minister Housing Income	10,550	6,669	17,219
Dividends and bond interest	112,655	-	112,655
Interest on loans	502	783	1,285
Total 2021	123,707	7,452	131,159

7. Other incoming resources

	Unrestricted funds 2022 £	Total funds 2022 £
Payroll service	12,986	**12,986**
Other activities	32,024	**32,024**
Total 2022	45,010	**45,010**

7. Other incoming resources (continued)

	Unrestricted funds 2021 £	Total funds 2021 £
Payroll service	12,399	12,399
Other activities	232	232
Total 2021	12,631	12,631

8. Expenditure on raising funds

	Unrestricted funds 2022 £	**Total funds 2022 £**
Payroll scheme expenses	9,379	**9,379**
Interest on funds held for churches	31,516	**31,516**
Total 2022	40,895	**40,895**

	Unrestricted funds 2021 £	Total funds 2021 £
Foreign exchange loss on investments	1,153	1,153
Payroll scheme expenses	10,998	10,998
Interest on funds held for churches	8,242	8,242
Total 2021	20,393	20,393

9. Investment management costs

	Unrestricted funds 2022 £	Total funds 2022 £
Investment management fees	14,881	**14,881**

	Unrestricted funds 2021 £	Total funds 2021 £
Investment management fees	18,458	18,458

10. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Regional Ministry Team	157,190	-	**157,190**
Grants	140,369	15,321	**155,690**
Subscriptions	4,536	-	**4,536**
Minister's Conference	13,604	-	**13,604**
Association Activities	237,628	7,960	**245,588**
Total 2022	553,327	23,281	**576,608**

10. Analysis of expenditure on charitable activities (continued)

Summary by fund type (continued)

	Unrestricted funds * 2021 £	Restricted funds * 2021 £	* Total 2021 £
Regional Ministry Team	145,619	-	145,619
Grants	226,107	11,374	237,481
Subscriptions	2,142	-	2,142
Minister's Conference	4,971	-	4,971
Association Activities	203,826	14,786	218,612
Total 2021	582,665	26,160	608,825

* The groupings of expenses in respect of each fund have changed to provide a clearer analysis, therefore the prior year numbers have been reclassified.

11. Analysis of expenditure by activities

	Activities undertaken directly 2022 £	**Grant funding of activities 2022 £**	**Support costs 2022 £**	**Total funds 2022 £**
Regional Ministry Team	157,190	-	-	**157,190**
Grants	-	155,690	-	**155,690**
Subscriptions	4,536	-	-	**4,536**
Minister's Conference	13,604	-	-	**13,604**
Association Activities	7,960	-	237,628	**245,588**
Total 2022	183,290	155,690	237,628	**576,608**

11. Analysis of expenditure by activities (continued)

	Activities undertaken directly 2021 £	Grant funding of activities * 2021 £	Support costs * 2021 £	* Total funds 2021 £
Regional Ministry Team	145,574	-	45	145,619
Grants	-	237,481	-	237,481
Subscriptions	2,142	-	-	2,142
Minister's Conference	4,971	-	-	4,971
Association Activities	14,786	-	203,826	218,612
Total 2021	167,473	237,481	203,871	608,825

A detailed analysis of grants paid during the year is included at Appendix 1.

* The groupings of expenses in respect of each fund have changed to provide a clearer analysis, therefore the prior year numbers have been reclassified.

Analysis of direct costs

	Regional Ministry Team 2022 £	**Subcriptions 2022 £**	**Minister's Conference 2022 £**	**Association Activities 2022 £**	**Total funds 2022 £**
Staff costs	125,122	-	-	-	**125,122**
Minister's conference	-	-	13,604	-	**13,604**
Regional Ministry Team	30,540	-	-	-	**30,540**
Subscriptions	-	4,536	-	-	**4,536**
Association activities	-	-	-	7,960	**7,960**
Finance cost (pension deficit)	1,528	-	-	-	**1,528**
Total 2022	157,190	4,536	13,604	7,960	**183,290**

11. Analysis of expenditure by activities (continued)

Analysis of direct costs (continued)

	Regional Ministry Team 2021 £	Subscriptions 2021 £	Minister's Conference 2021 £	Association Activities 2021 £	Total funds 2021 £
Staff costs	119,721	-	-	-	119,721
Minister's conference	-	-	4,971	-	4,971
Regional Ministry Team	24,561	-	-	-	24,561
Subscriptions	-	2,142	-	-	2,142
Association activities	-	-	-	14,786	14,786
Finance cost (pension deficit)	1,292	-	-	-	1,292
Total 2021	145,574	2,142	4,971	14,786	167,473

Analysis of support costs

	Total funds 2022 £	As restated Total funds 2021 £
Staff costs	**119,770**	113,067
Depreciation	**5,945**	3,189
Regional Ministry Team	**-**	45
Payroll scheme expenses	**1,387**	1,467
Premises costs and administration	**19,588**	28,578
Other staff costs including training	**11,410**	3,837
Property	**15,619**	4,822
Working groups	**2,976**	633
IT	**12,908**	9,545
Board expenses	**1,331**	837
Legal and professional	**(7,867)**	12,642
Other	**36,561**	34,118
Audit and accountancy fees	**18,000**	16,548
Profit on disposal of fixed asset held for sale	**-**	(25,457)
	237,628	203,871

12. Auditors' remuneration

The auditors' remuneration amounts to an auditor fee of £15,000 (2021: £10,200), and non audit services of £3,000 (2021: £1,800).

13. Staff costs

	2022 £	2021 £
Wages and salaries	**207,727**	195,920
Social security costs	**13,522**	13,464
Pension costs (note 26)	**23,643**	23,404
	244,892	232,788

The average number of persons employed by the Company during the year was as follows:

	2022 No.	2021 No.
	8	8

No employee received remuneration amounting to more than £60,000 in either year.

During the year the Rev A Argile, a Trustee of the Charitable Company, received remuneration for his role as Regional Minister Team Leader and travel expenses in connection with that role. He was not remunerated for Trustee duties. The cost to the Charity of the remuneration (gross pay plus employer's national insurance and pension) was £42,268 (2021: £41,699) and expenses were £1,501 (2021: £3,190).

Key Management Personnel of the Charity are considered to be the Trustees. No other Trustee received any remuneration.

14. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2021: £Nil), except as disclosed above.

During the year ended 31 December 2022, expenses totalling £1,331 were reimbursed or paid directly to 4 Trustees (2021: £837 to 7 Trustees).

15. Tangible fixed assets

	Freehold property £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation				
At 1 January 2022	**1,130,876**	**12,756**	**11,414**	**1,155,046**
Additions	**380,857**	**6,305**	**5,983**	**393,145**
Disposals	**-**	**-**	**(599)**	**(599)**
At 31 December 2022	**1,511,733**	**19,061**	**16,798**	**1,547,592**
Depreciation				
At 1 January 2022	**-**	**9,304**	**6,459**	**15,763**
Charge for the year	**-**	**1,681**	**4,264**	**5,945**
On disposals	**-**	**-**	**(599)**	**(599)**
At 31 December 2022	**-**	**10,985**	**10,124**	**21,109**
Net book value				
At 31 December 2022	**1,511,733**	**8,076**	**6,674**	**1,526,483**
At 31 December 2021	1,130,876	3,452	4,955	1,139,283

16. Fixed asset investments

	Listed investments £	Other fixed asset investments £	Total £
Cost or valuation			
At 1 January 2022	**2,986,944**	**50,047**	**3,036,991**
Additions	**185,382**	**-**	**185,382**
Disposals	**(111,149)**	**(21,585)**	**(132,734)**
Revaluations	**(368,377)**	**-**	**(368,377)**
Foreign exchange movement	**5**	**(792)**	**(787)**
At 31 December 2022	**2,692,805**	**27,670**	**2,720,475**

16. Fixed asset investments (continued)

All fixed asset investments are held in the UK.

Subsidiary undertaking:

The CST Corporate Trustee Limited (Company number 11454313), a Company limited by guarantee, is a subsidiary by virtue of the Charity being the sole member.

Its sole purpose is to act as a corporate Trustee in respect of the assets of the Cannon Street Trust.

The subsidiary is not material to the Group and has therefore not been included in the financial statements.

17. Debtors

	2022 £	2021 £
Trade debtors	**10,195**	2,849
Other debtors	**130,347**	140,564
Prepayments and accrued income	**4,365**	28,906
	144,907	172,319

Included within other debtors are loans to churches of £130,347 (2021: £140,564) which are generally expected to be received after one year.

18. Current asset investments

	2022 £	2021 £
Deposits held on behalf of churches	**80,315**	177,892

19. Creditors: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	**7,975**	3,164
Other taxation and social security	**6,476**	6,948
Other creditors	**2,183,951**	2,126,617
Accruals and deferred income	**56,270**	29,412
	2,254,672	2,166,141

Included within other creditors is an amount of £2,183,951 (2021: £2,126,167) held on behalf of certain churches and the Cannon Street Trust. The churches are required to give due notice before withdrawal of these amounts.

20. Creditors: Amounts falling due after more than one year

	2022 £	2021 £
Other creditors	**4,000**	4,000

Other creditors represents a contribution to Retired Housing which is an equity contribution by the tenants which is repayable on the sale of the property at Clee View, Bridgnorth.

21. Statement of funds

Statement of funds - current year

	Balance at 1 January 2022 £	Income £	Expenditure £	Transfers in/(out) £	Gains/ (losses) £	Balance at 31 December 2022 £
Designated funds						
Church Resources Fund	41,934	-	(300)	-	-	41,634
Minister's Resources Fund	36,955	-	(2,312)	-	-	34,643
Regional Ministry Fund	186,543	-	-	-	-	186,543
Mission Development	364,017	-	(55,921)	38,697	-	346,793
Monkspath Fund	90,387	-	-	-	-	90,387
Mission Grant Funds	-	120,108	(81,411)	(38,697)	-	-
Pension reserve	45,829	-	-	-	-	45,829
	765,665	120,108	(139,944)	-	-	745,829
General funds						
General Funds	1,013,193	315,595	(469,159)	-	(295,717)	563,912
Total Unrestricted funds	1,778,858	435,703	(609,103)	-	(295,717)	1,309,741

21. Statement of funds (continued)

	Balance at 1 January 2022 £	Income £	Expenditure £	Transfers in/(out) £	Gains/ (losses) £	Balance at 31 December 2022 £
Restricted funds						
Atch Lench Baptist Trust	17,069	-	(15,321)	-	-	1,748
Heart of England Loan Fund	850,863	-	-	-	-	850,863
Helen Youth Fund	1,581	-	-	-	-	1,581
Retired Ministers & Missionaries Housing Fund	525,474	5,108	(7,131)	-	-	523,451
Westmancote Baptist Trust	12,390	-	-	-	-	12,390
Benevolent Fund	728	320	(829)	-	-	219
Flood Fund	6,324	-	-	-	-	6,324
	1,414,429	5,428	(23,281)	-	-	1,396,576
Total of funds	3,193,287	441,131	(632,384)	-	(295,717)	2,706,317

21. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 January 2021 £	Income £	Expenditure £	Transfers in/(out) £	Gains/ (losses) £	Balance at 31 December 2021 £
Designated funds						
Church Resources Fund	44,734	-	(2,800)	-	-	41,934
Minister's Resources Fund	38,205	-	(1,250)	-	-	36,955
Regional Ministry Fund	186,588	-	(45)	-	-	186,543
Mission Development	493,279	-	(87,081)	(42,181)	-	364,017
Monkspath Fund	90,387	-	-	-	-	90,387
Mission Grant Funds	-	120,149	(162,330)	42,181	-	-
Pension reserve	66,429	-	(20,600)	-	-	45,829
	919,622	120,149	(274,106)	-	-	765,665
General funds						
General Funds	883,488	297,080	(347,410)	-	180,035	1,013,193
Total Unrestricted funds	1,803,110	417,229	(621,516)	-	180,035	1,778,858

21. Statement of funds (continued)

	Balance at 1 January 2021 £	Income £	Expenditure £	Transfers in/(out) £	Gains/ (losses) £	Balance at 31 December 2021 £
Restricted funds						
Atch Lench Baptist Trust	28,443	-	(11,374)	-	-	17,069
Heart of England Loan Fund	850,863	-	-	-	-	850,863
Helen Youth Fund	1,581	-	-	-	-	1,581
Retired Ministers & Missionaries Housing Fund	532,698	6,669	(13,893)	-	-	525,474
Westmancote Baptist Trust	12,390	-	-	-	-	12,390
Benevolent Fund	838	783	(893)	-	-	728
Flood Fund	6,324	-	-	-	-	6,324
	1,433,137	7,452	(26,160)	-	-	1,414,429
Total of funds	3,236,247	424,681	(647,676)	-	180,035	3,193,287

22. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	1,526,483	-	**1,526,483**
Fixed asset investments	2,720,475	-	**2,720,475**
Current assets	(2,866,496)	3,584,527	**718,031**
Creditors due within one year	(70,721)	(2,183,951)	**(2,254,672)**
Creditors due in more than one year	-	(4,000)	**(4,000)**
Total 2022	1,309,741	1,396,576	**2,706,317**

Analysis of net assets between funds - prior year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	1,139,283	-	1,139,283
Fixed asset investments	744,214	2,292,777	3,036,991
Current assets	16,485	1,252,269	1,268,754
Creditors due within one year	(39,524)	(2,126,617)	(2,166,141)
Creditors due in more than one year	-	(4,000)	(4,000)
Provisions for liabilities and charges	(81,600)	-	(81,600)
Total 2021	1,778,858	1,414,429	3,193,287

23. Reconciliation of net movement in funds to net cash flow from operating activities

	2022 £	2021 £
Net expenditure for the year (as per Statement of Financial Activities)	**(559,630)**	(47,944)
Adjustments for:		
Depreciation charges	**5,945**	3,189
Losses/(gains) on investments	**368,377**	(175,051)
Dividends, interests and rents from investments	**(122,433)**	(131,159)
Gain on the sale of fixed assets	**-**	(25,461)
Decrease in debtors	**27,412**	35,807
Increase in creditors	**88,531**	93,709
Defined benefit scheme finance cost adjustment	**1,528**	1,292
Net cash used in operating activities	**(190,270)**	(245,618)

24. Analysis of cash and cash equivalents

	2022 £	2021 £
Cash in hand	**492,809**	918,543
Notice deposits (less than 3 months)	**107,985**	227,938
Total cash and cash equivalents	**600,794**	1,146,481

25. Analysis of changes in net debt

	At 1 January 2022 £	Cash flows £	At 31 December 2022 £
Cash at bank and in hand	**918,543**	**(425,734)**	**492,809**
Liquid investments	**227,938**	**(119,953)**	**107,985**
	1,146,481	**(545,687)**	**600,794**

26. Pension commitments

The Association is a participating employer the Baptist Pension Scheme ("the Scheme"), which is a separate legal entity administered by the Pension Trustee (Baptist Pension Trust Limited). The assets of the Scheme are held separately from those of the Employer and the other participating employers.

The Scheme, previously known as the Baptist Ministers' Pension Fund, started in 1925, but was closed to future accrual of defined benefits on 31 December 2011. Prior to this date the main benefit provided through the Defined Benefit (DB) Plan was a pension of one eightieth of final minimum pensionable income for each year of pensionable service together with additional pension in respect of premiums paid on Pensionable Income in excess of Minimum Pensionable Income.

From January 2012, pension provision is being made through the Defined Contribution (DC) Plan within the Scheme. 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 Broadstone Corporate Benefits Ltd. 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 Scheme members if 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 Aviva Limited. Members of the Basic Section pay reduced contributions of 5% of Pensionable Income, and their employers also pay a total of 5%.

The Scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. Because it is not possible to attribute the Scheme's assets and liabilities to specific employers, the scheme is accounted for as if the Scheme were a defined contribution scheme.

The Regional Ministers and members of the Association staff team are eligible to join the Scheme.

The table below summarises the main results of the most recent actuarial valuations of the BUSPS and the Defined Benefit (DB) Plan in the BPS. These valuations were performed by a professionally qualified Actuary using the Projected Unit Method:

	BPS DB Plan	BUSPS
Date of valuation	31 December 2019	1 January 2017
Date of next valuation	31 December 2022	N/A scheme is in wind-up
Market value of scheme assets (A)	£298m	£10.3m
Technical provisions (B)	£316m	£16.2m
Deficit [(B) - (A)]	£18m	£5.9m
Funding level [(A) / (B)]	94%	64%

26. Pension commitments (continued)

Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability. The movement in the provision is set out in the table below.

	2022 £	2021 £
Balance Sheet liability at year start	**81,600**	102,969
Minus deficiency contributions paid	**(10,468)**	(17,677)
Interest cost (recognised in SoFA)	**1,528**	1,292
Remaining change to balance sheet liability* (recognised in SoFA)	**(72,660)**	(4,984)
Balance Sheet liability at year end	**-**	81,600

* Comprises any change in agreed deficit recovery plan and change in assumptions between year-ends.

Recovery Plan

In addition to the contributions to the DC Plan set out above, where a valuation of the DB Plan reveals a deficit the Trustee and the Council agree to a rate of deficiency contributions from churches and other employers involved in the DB Plan. Following the 2019 valuation a Recovery Plan was signed in September 2020 under which deficiency contributions are payable until June 2026. These contributions were broadly based on each employer's membership at 31 December 2014 and increase annually in line with increases to Minimum Pensionable Income as defined in the Rules.

On 30th June 2022 the Baptist Pension Scheme signed an agreement with the insurance company Just Group ("Just") to secure DB Plan members' pension benefits. Just are now providing financial backing for all pensions provided through the Scheme's DB Plan and following this transaction, the Scheme no longer has a shortfall. An updated Recovery plan was then signed in August 2022 under which recovery contributions from each participating employer in the DB Plan reduced to £1 per month from August 2022.

The key financial assumptions underlying the valuations were as follows:

Type of assumption	BPS % pa	BUSPS % pa
RPI price inflation assumption	3.20	3.45
CPI price inflation assumption	2.70	2.70
Minimum Pensionable Income Increases (BPS only)	3.20	N/A
Pensionable Salary increase (BUSPS only)	N/A	3.70
Assumed investment returns		
- Pre-retirement	2.95	3.50
- Post retirement	1.70	2.25
Deferred pension increases		
- Pre April 2009	3.20	3.45
- Post April 2009	2.50	2.50
Pension increases		
- Pre April 2006	2.70	3.25
- Post April 2006	2.70	2.15

Mortality is assumed in accordance with 80% of the S3NA standard mortality table. Future improvements projected from 2013 in line with the "CMI 2019" projection with a long-term rate of improvement of 1.75% p.a. for males and 1.5% p.a. for femaleswith the core smoothing parameter and with additional initial mortality improvement factor A=0.5%.

The next actuarial valuation of the DB Plan within the Scheme will commence in 2023 to reflect the position as at 31 December 2022.

As there are numbers of contributing employers participating in both the BPS and the BUSPS, the Charity is unable to identify its share of the underlying assets and liabilities of the schemes. Accordingly, the profit and loss charge for the period represents the employer contributions payable. The total pension cost for the Charity in the year were £23,643 (2021: £23,404) for the BPS.

27. Operating lease commitments

At 31 December 2022 the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2022	2021
	£	£
Not later than 1 year	**414**	732
Later than 1 year and not later than 5 years	**4,554**	6,210
	4,968	6,942

28. Related party transactions

The Charity is a member of the Baptist Union of Great Britain and is in receipt of grants from the Home Mission Fund which is part of the Baptist Union. Grants of £226,619 (2021: £243,181) were received in this respect.

Trustees of the Charity are drawn from the membership of the local Baptist Churches and there are therefore, from time to time, grant awards made to benefit either the individual or the church. There is a formal process in relation to grant applications which helps to ensure that any conflict of interest is mitigated by the exclusion of the conflicted individual in the decision making process.

The CST Corporate Trustee Limited

The CST Corporate Trustee Limited is a trust corporation constituted as a Company limited by guarantee of which The Heart of England Baptist Association is the sole member and director.

Included within other creditors is an amount of £464,424 (2021: £462,630) held on behalf of the Cannon Street Trust.

The Cannon Street Baptist Chapel Trust

The following church buildings, all within Birmingham, except Smethwick, are held on the CST (1877) according to the terms of that Trust. The buildings are occupied by the churches on the equivalent of fully insuring and repairing leases at a peppercorn rent. The 'leases' expire when the churches no longer require the property.

Birmingham Central Baptist Church
Cannon Street Memorial Church
Castle Bromwich Baptist Church and Manse
Church of the Redeemer
City Road Baptist Church
People's Chapel
Small Heath Baptist Church
Smethwick Baptist Church
Stratford Road Baptist Church

The Heart of England Baptist Association is in the process of transferring the trusteeship of the churches held on the Cannon Street Trust to The CST Corporate Trustee Limited.

The properties already transferred are:-
Birmingham Central Baptist Church
City Road Baptist Church
Small Heath Baptist Church
Smethwick Baptist Church

Umberslade Endowment Charity

The Trustees of The Heart of England Baptist Association are also Trustees of the above named Charity which is registered with the Charity Commission. There are no transactions between the two entities but The Heart of England Baptist Association oversees the activity of the Charity.

29. Controlling party

The Charity is ultimately controlled by the Board of Trustees.

30. Company limited by guarantee

The Charity is a Company limited by guarantee and does not have share capital.

THE HEART OF ENGLAND BAPTIST ASSOCIATION

Appendix 1 - Grants Paid during the year

Grants to Churches	Unrestricted	Designated from Missions Grant	Designated	Restricted	2022 Total	2021 Total
Alvechurch			300		300	-
Baddeley Edge		7,796			7,796	7,718
Bearwood					-	1,000
Black Country Urban Industrial Mission		6,188			6,188	5,104
Chelmsley Wood		2,475			2,475	3,675
Cornerstone, Oswestry		3,713			3,713	5,880
Darkhouse		6,000			6,000	6,125
Dawley					-	8,943
Delves, Walsall		4,125			4,125	6,125
Emmaus					-	4,550
Ewyas Harold		3,589			3,589	5,716
Far Forest				15,321	15,321	11,374
Gateway to Hope		6,188			6,188	6,125
George Road Community Church		4,873			4,873	9,188
Glebe Farm					-	5,250
Glebe Farm Pioneer		15,321			15,321	6,319
Green Lane, Walsall					-	11,025
Keele University LEP		5,500			5,500	5,250
Kings Community Church					-	2,000
Limbrick Wood, Coventry		3,300			3,300	1,089
Lentons Lane BC					-	1,000
Londonderry					-	7,962
Madeley					-	4,900
Newport			330		330	8,587
Putson					-	7,656
Radford Semele	425				425	-
Rising Brook re. Pioneer Grant		8,692			8,692	12,917
Rising Brook re. Ministry among the Deaf					-	25,500
Six Ways re. Castle Vale Project			4,125		4,125	5,928
Six Ways re. Castle Vale Project		15,629			15,629	12,250
Six Ways re. Castle Vale Project					-	1,144
Smethwick re. BCUIM					-	1,640
Stoke					-	4,594
Warley					-	1,000
Warley		1,021			1,021	6,125
Wednesbury		8,251			8,251	6,125
Wolston		3,611			3,611	3,063
Wolvey			1,000		1,000	-
Yardley Wood		2,500			2,500	-
Grants to Individuals						
Rev. Kirsteen Macaulay	500				500	500
Rev. Neil Bennet					-	329
Rev. Peter Maycock (Queens Foundation)	1,000				1,000	-
Rev. Simon Harry	312				312	-
Rev. Leone Martin	500				500	-
Church from Scratch project					-	100
Grants to Organisations						
B.C.C.E. & C.L.A.S.P.			638		638	608
Churches Ind Group Birmingham					-	2,000
Churches together in Shropshire			2,000		2,000	2,000
Churches together in Hereford			750		750	750
Birmingham Churches Together					-	5,360
Faith at Work in Worcestershire			4,875		4,875	5,625
Telford Christians Together			8,092		8,092	4,500
Urban Expression					-	6,250
West Mids FE Chaplaincy			1,500		1,500	1,500
Workcare			5,250		5,250	7,000
Ministry among the Deaf Expenses	24,457				24,457	1,854
Telford Christians Together					-	392
	27,194	**108,772**	**28,860**	**15,321**	**180,147**	**261,615**

APPENDIX 2 : PROPERTIES FOR WHICH HEBA WAS OWNER/HOLDING TRUSTEE 31.12.2022

CST = *Cannon Street Trust* **C** = Conservation area **L** = Listed

Name	Details
Acocks Green L	Chapel, School Hall, Manse
Alvechurch C	Chapel, Schoolrooms, land at rear, Manse
Attleborough	Church, other properties, Manse
Ashmore Park	Chapel, Hall
Austrey L	Church Buildings
Baddeley Edge	Chapel
Baptist Church Centre Handsworth	Church
Barnt Green	Chapel, land at rear Manse sold 2023
Bearwood	Church and School Hall
Bedworth	Chapel and School Hall, Manse
Bilston	Church and halls, Manse
Binley Woods (LEP)	Manse
Bridgnorth L	Chapel, Offices 7 West Castle Street
Brierley Hill	Chapel, Schoolrooms, Burial ground
Bromsgrove	Chapel and School Hall Manse
Butt Lane, Stoke-on-Trent	Chapel and School Hall
Cannon Street Memorial **CST**	Church and Halls, House, Manse
Carters Lane	Chapel and School hall Manse sold 2022
Castle Bromwich **CST**	Church and Manse
Castle Hill, Warwick C	Church, other properties, Manse
Catshill	Chapel and halls, burial ground, Manse
Cedar Church, Kingstanding	Chapel and Hall
Chadsmoor	Chapel, Schoolrooms

APPENDIX 2 : PROPERTIES FOR WHICH HEBA WAS OWNER/HOLDING TRUSTEE 31.12.2022

Chase	Chuch
Chelmsley Wood	Church Centre, Manse
Chester Road,	Chapel, Manse
Chorley	Chapel, Burial Ground
Church of the Redeemer **CST**	Properties in Monument Road
City Road	Manse
Darkhouse	Chapel, School Hall and small burial ground Graveyard, Bell St
Dawley	Church, School Hall and Burial Ground, Manse
Donnington Wood	Chapel
Edward Rd L	Chapel and Schoolrooms
Erdington, Six Ways	Chapel, School Halls, Manse
Ewyas Harold	Church, Manse and Land adjoining
Far Forest	Church
Fenton	Chapel and School Hall
Fordhouses Wolverhampton	Chapel and School Hall, Manse
Four Oaks	Chapel and Halls, House
George Road Community Church	Church and hall
Grace Community Church	Church building and land abutting church
Grenfell	Chapel, Land adjoining, House
Hall Green (Cristchurch LEP)	Chapel, Hall, Manse
Hope Stourbridge	Chapel, School Hall, Manse
Hanley, Stoke-on-Trent	Church Centre
Harborne	Church and Halls, other properties, Manse
Hearsall	Manse
Kenilworth	Church

APPENDIX 2 : PROPERTIES FOR WHICH HEBA WAS OWNER/HOLDING TRUSTEE 31.12.2022

Highgate	Church, hall and flat above.
Hockley Heath	Church Hall, land Adjoining
Kings Community Church	Church and Schoolroom
Kings Norton	Chapel, School Hall and land adjoining, Manse
Ledbury L	Church, Manse and additional house
Lentons Lane, Coventry	Church, School Hall, additional land, Manse
Limbrick Wood	Church and Hall, Manse
Londonderry	Church and hall
Longbridge	Chapel and Hall, Manse
Longford	Salem: School Halls - Leased expiring 2030 Union Place: Church, hall and burial ground
Ludlow	Church Centre
Netherton, Ebenezer	Chapel and Schoolroom
Lodge Farm, Netherton	Church Hall
Messiah, Netherton	Burial Ground
New Christ Church, Aston	Chapel, Manse
Newbridge	Chapel, School Hall, Manse
Newcastle-under-Lyme	Church
New Life, Kings Heath	Church, Manse and 2 houses
Newport	Church Building and site
Northfield	Church and halls, manse, Other land
Olton	Offices 85 Warwick Road
Oswestry C	Church Building
Overslade	Church Hall
Peoples Chapel **CST**	Church, Manse
Perry Beeches	Chapel

APPENDIX 2 : PROPERTIES FOR WHICH HEBA WAS OWNER/HOLDING TRUSTEE 31.12.2022

Providence	Chapel, and burial ground, Manse
Polesworth	Church, School Hall and burial ground
Pontesbury	Chapel and Burial Ground, Manse
Rugby L	Chapel and School Halls
St Peter's Worcester	Church, Manse
Saltley	Chapel, Manse
Sandon Road, Stafford	Chapel and School Hall, 2 Houses
Selly Park	Chapel and School Hall, Manse (co-trustee)
Shrewsbury C	Claremont site (C): Chapel Crowmoor site: Church
Stechford	Chapel, Manse
Stoke Baptist Church	Church, Manse sold 2022
Stratford Road **CST**	Church and site
Tabernacle Wolverhampton	Chapel and School halls, car park, Manse
Tamworth	Chapel
Walsall, The Delves	Site, Chapel, Church Hall, Manse
Walsgrave	Chapel and School Hall, Manse
Warley	Chapel and School Halls and land adjoining, Manse
Wednesbury	Chapel, Manse
West Bromwich	Chapel, Manse
Westmancote Burial Ground	CC Order 2004. Co-Trustees with Official Custodian
Wolston C	Chapel, Burial Ground
Word of Spirit and Life Church,	Church
Yardley	School Hall, Manse
Yardley Wood	Chapel, Manse

THE HEART OF ENGLAND BAPTIST ASSOCIATION

England & Wales - Charity number 1080529

Accounts

ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

The Heart of England Baptist Association
Registered Charity Number: 1080529 Registered Company Number: 00238738
Registered Office: 480 Chester Road, Sutton Coldfield B73 5BP

THE HEART OF ENGLAND BAPTIST ASSOCIATION

REPORT OF THE TRUSTEES

YEAR ENDED 31 DECEMBER 2021

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THE HEART OF ENGLAND BAPTIST ASSOCIATION

REPORT OF THE TRUSTEES

YEAR ENDED 31 DECEMBER 2021

The Trustees, who are directors for the purposes of company law, are pleased to present the Annual Report and Financial Statements of the charitable company for the year ended 31 December 2021, which are prepared to meet the requirements for a Director's Report and accounts for Companies Act purposes. References to 'HEBA' throughout this report refer to The Heart of England Baptist Association.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Articles of Association and 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102 – effective 1 January 2019).'

Objectives and Activities

The Objects of this charitable company are the advancement of the Christian faith, particularly in the Heart of England and especially by the means of and in accordance with the principles of the Baptist denomination as set out for the time being in the Declaration of Principle of The Baptist Union of Great Britain (BUGB).

The values espoused by the Trustees of the charitable company are Companionship, Generosity, Diversity, Learning and Innovation. These values are continually presented to churches for their encouragement and so that they understand the principles guiding the work of the charitable company. The values are presented at events to which churches are invited, through the regular mailings to churches, through the work of the HEBA office team and Regional Ministers and on the Trustees' social media outlets and channels.

The principal activities of the charitable company are the employment of a Regional Ministry and administrative staff team and the organisation of a number of volunteers, working in groups or individually, to offer support and guidance, training and financial resources to advance the Christian faith in a way which benefits Baptist churches and the communities they serve.

The charitable company is part of the family of Baptist organisations serving the needs of many of the Baptist churches in Great Britain, working particularly closely with the Baptist Union of Great Britain and BMS World Mission. The charity has a linked charity, the Heart of England Baptist Association Loan Fund (1080529-1) and the Trustees are also Trustees of the Umberslade Church Endowment (255061) and Directors of The CST Corporate Trustee Limited (11454313).

The charitable company aims to:

- Co-operate with churches directly and through working groups by passing appropriate resolutions to enable building development projects, including the provision of grants and loans, including Sustainable Energy Funding. Many of these projects are directly aimed at making church buildings more accessible and available to the local community.
- Assist churches and ministers that are seeking new ministries through the National Settlement process.
- Assist individuals who are exploring a call to any Baptist ministry by signposting various routes to recognised Baptist ministry, interviewing candidates, supporting ministerial candidates and providing BUGB approved training for preachers and pastors.
- Make Safeguarding training available on a rolling programme, encouraging and enabling ministers and members of churches to receive training. This included the use of supported online training during this year.
- Provide Safeguarding support to churches when incidents/suspected incidents arise.
- Mediate disagreements arising within churches or between churches and their local community.
- Encourage the HEBA Grants Committee as it continues to seek creative ways of supporting churches in their mission using Baptist Home Mission and Association funds.
- Ensure, through its Finance Working Group, responsible and effective stewardship of the resources of the charitable company.
- Encourage churches to support Baptist Home Mission and BMS World Mission through prayer, direct partnership with mission personnel and financial gifts, so that the Gospel of Jesus Christ can continue to be shared in the UK and abroad.
- Co-operate with other Baptist organisations and other denominations where this supports the objects of the Association.

- Receive and consider reports from all Working Groups and the Regional Ministers, enabling the charitable company to maintain effective governance, including receiving reports on the staff appraisals, budget proposals, safeguarding issues and other work with churches as appropriate.
- Support the staff employed by the charitable company through the provision of appropriate training and support, and provision of clear and effective staffing and other policies.
- Seek appropriate and timely legal advice on issues having a potentially wide-ranging effect with a view to understanding and, where possible, mitigating their risk.
- Continue to explore ways in which the Trustee board can become even more effective in governing the charitable company and in their strategic planning.
- Some of this work was partly or severely affected by the COVID-19 pandemic. However, these conditions also provided an opportunity for a different way of staff working and holding meetings which will continue into the future.

Public Benefit

The Trustees, having regard to the Charity Commission's guidance document, 'public benefit: running a charity (PB2)', continued to provide public benefit by seeking to advance the Christian faith and practice in accordance with the Objects of the charitable company.

The Trustees sought to achieve this in several ways including:

- advising and supporting churches as they sought to manage the effects of the COVID-19 pandemic and lockdown so that members and visitors could be kept safe in churches.
- encouraging churches to adopt robust safeguarding policies and practice through the provision of training for church members, ministers and pastors.
- keeping appropriate safeguarding records, including documents kept in long-term secure systems.
- acting to provide help and support to churches seeking to improve their own governance, projects or buildings.
- holding staff accountable for their support for churches seeking to advance the Christian faith in their communities.
- funding - in partnership with other organisations - the continued provision of a Baptist minister for deaf and deafened people in Stafford.
- encouraging churches and ministers through the annual Ministers' Conference, theological reflection days, interaction with regional ministry staff and themes pursued at all joint events, to engage effectively and serve their local communities.

Achievements and Performance

The Trustees support their Regional Ministry team in their work through the provision of assistance in housing, in training and in permitting them to take sabbatical leave. One Regional Minister (RM), Revd Alison Mackay, returned to church ministry early in 2021. The Trustees and remaining Regional Ministers reviewed the provision of Regional Ministry support during the year and decided to continue working with a team of three RMs for the time being due to financial constraints.

The Administration Team continued to work from home for much of the year due to the ongoing risk from the coronavirus pandemic. This proved such a successful way of working, that it was agreed to trial hybrid working, with Admin staff attending the office for one day a week only.

The Trustees also continued to encourage online training, meetings and conferences, including a Ministers' Conference attended by over 100 people and a second successful Women's Conference.

The Trustees were given notice to leave their offices in Selly Oak by the landlord by the end of 2021. They appointed a search team that successfully identified a new registered office for the Association at 480 Chester Road, Sutton Coldfield. The Trustees were grateful to the Administration Team and some hardworking volunteers for their efforts which meant that the move in December went smoothly. Though initially a rental agreement was put in place, the Trustees have since used the proceeds from the sale of two houses to fund the purchase of the new accommodation and moving costs during 2022.

The Trustees and staff team continued to support (with partners) the ministry of Revd Susan Myatt, Baptist Minister Amongst the Deaf, financially and through prayer. They also encouraged and contributed towards the production of BSL interpreting for the Baptist Union's safeguarding training video.

The Regional Ministers (RMs) worked with churches and ministers as they sought new ministry or to change ministry meeting with churches and ministers online for most of the year. They also helped churches with internal conflicts, offering mediation and comfort to members and ministers.

The HEBA Justice Hub continued to support the three task groups, encouraging the use of website and social-media spaces that the Trustees had made available for this purpose.

A significant amount of staff and volunteer time was taken up with managing houses rented out by the Trustees, and preparing those houses for sale at the end of tenancies.

The charitable company, through its Regional Ministers, continued to support ecumenical work across the whole area of the Association, as well as national Baptist events and organisations, for example, all RMs serve on ecumenical bodies in the region during the year.

The charitable company, through its Ministerial Recognition Group, interviewed 7 prospective ministers/pastors, authorising book grants to several ministerial students and had contact with all Newly Accredited Ministers and their Mentors in HEBA. Online Symposiums were much appreciated by the ministers and church leaders that attended.

The charitable company continued to model an organisational culture which prioritises safeguarding through their encouragement and support of churches to provide a safe and trusted environment for all those they come into contact with, particularly children, young people and Adults at Risk. This involved encouraging churches to use the training made available online by the Baptist Union and providing a 'Q&A' to consolidate that learning. During 2021, the charitable company provided safeguarding training for 329 individuals, of which 56 were ministers or pastors, these people coming from 71 churches and organisations. Support and signposting was provided for churches and ministers experiencing a safeguarding incident, including the management of offenders in church environments.

Revd Duncan MacLean served as Trustee for Safeguarding and Keith Baldwin continued to serve as Safeguarding Officer.

The charitable company, through its Grants Committee provided grants to churches and projects to a value of £264,835 using both Baptist Home Mission and Association funds. This includes grants towards sabbatical studies for ministers in the Association.

The charitable company, through its Finance Group, ensured that all funds were being held and spent appropriately. They reviewed budgets, spending and investments and met with the Investment Managers.

The charitable company's book-keeping and account-production services to member churches continued, and at the end of the year had produced accounts for one church and was undertaking book-keeping for three churches. The Payroll Service offered to churches and projects also continued, and at the end of the year, payroll services were being undertaken for 60 churches/projects (93 individuals).

The charitable company, through its Trust Working Group (TWG), gave consideration and practical assistance to around 30 churches involved in: building purchase, disposal and development; changing their legal structure and amending their governing instruments. It continued to offer support to churches with dilapidated burial grounds. The transcription of the church trusts details into electronic form was not completed during 2021 due to lack of capacity.

The charitable company completed the following of its plans for the year:

- locating a new office base for the Association.
- reviewing and implementing new working patterns with administrative staff depending on Government advice relating to the COVID-19 pandemic and the outcome of the review.
- reviewing the workload of the Regional Ministers following the decrease in their number from four to three

- completing the Review of updated Governing documents of the charitable company, which would be adopted at an in-person AGM in 2022.
- recruiting two new Trustees, who would take up their positions early in 2022.
- continuing to implement outcomes of the Board Review, including further use of the Governance Wheel to improve Board effectiveness and efficiency.
- agreeing strategic priorities and developing and implementing a strategic plan.
- encouraging the HEBA Justice Hub and task groups.
- undertaking more Trustee training and/or study days for Trustees.

Risk Review

The charitable company continued to review its Risk Management Matrix at least three times a year. The full migration of IT services to the cloud was helpful to staff working from home and also reduced the risk posed by having all back up recording on hardware.

Significant risks identified during the year were:

- The possibility of incidents or accidents in dilapidated burial grounds where the charitable company is holding Trustee remains an ongoing concern.
- Censure arising from a failure to properly implement the requirements of the General Data Protection Regulations has been identified as a risk to the charitable company. The charitable company sought legal assistance in producing a set of updated Data Protection and privacy documents and the Company Secretary continually reminds Trustees, staff and volunteers of their responsibilities in order to mitigate these risks. Having said that, one data breach was reported to the Information Commissioner during the year. The ICO made recommendations, all of which were implemented.
- The risk of reputational damage to the Gospel, the charitable company and the Baptist movement arising from a safeguarding incident in a church remains high and is a driving factor behind the charitable company's investment in safeguarding training for church ministers and members.
- Staff turnover and inability to replace key staff.

Financial Review

During 2021 the overall funds of the Association decreased by £42,960 to £3,193,287 (£3,236,247 in 2020).

General fund income was £297,080. Expenditure totalled £347,410 resulting in a loss of £50,330. Net gains on investment assets totalled £180,035. The General Fund at the year-end was £1,013,193.

The Net Movement on Designated Funds was £153,957 excess of expenditure over income. This was primarily due to the ongoing use of the Mission Development Fund for grants to church and other mission projects. At the year end the total balance of designated funds was £765,665.

Other income and expenditure in the Restricted Funds primarily relates to income and expenditure for the Retired Ministers and Missionaries Housing Fund and Atch Lench Baptist Trust expenditure for mission. Interest is not charged on loans, but churches will be asked to give a thank-offering at the end of the loan period to help maintain the real value of the fund. The net movement across the restricted funds was £18,708 At the year end the balance across the restricted funds was £1,414,429.

The Association is part of a very complex multi-employer defined benefit pension scheme comprising approximately 1,200 employers. See Note 26 in the Financial Statements.

Investment powers, policy and performance

The Trustees have appointed Redmayne Bentley as Investment Managers for the Association's investment portfolio. The managers have discretionary powers to invest in line with the Investment Policy which is classed as medium risk and aims for moderate growth in income whilst at least maintaining capital values over the medium to long term.

Reflecting the ethos of the Association, an ethical investment policy is in place to guide the investment manager. This focuses on positive aspects such as good governance and good working practices as well as excluding sectors which do not fit with the Association's ethos.

During the year, the portfolio return (total return basis) increased by 2.15%, against the portfolio benchmark return, which increased by 3.35%.

The Association continued to maintain balances on notice and term deposits. Most of these funds represent balances held on behalf of churches where minimal capital risk is important.

Reserves policy

The Trustees consider a reserve of one year's costs is required to ensure a managed exit from all existing agreements and contracts. One year's costs is the total general fund expenditure excluding one off events and including one year of grant funding from the Association's own resources (£0.178m), where grants are expected to be needed beyond the current year. This latter is to reflect commitments, often staff related, which have been entered into by grant receiving churches. On this basis reserves of £0.526m are required. Excluding fixed assets and restricted funds the Association's free reserves were £0.640 giving cover of 1.2 times. The increase in cover of reserves from 0.4 is the result of the sale of two fixed asset properties in 2021 the proceeds of which Trustees have agreed will fund the purchase of new office accommodation in 2022, therefore this rate of cover is expected to reduce for 2022.

Plans for future periods

During 2022, the charitable company will seek to continue to fulfil its objects in creative ways that will assist in the advancement of the Christian faith and the enrichment of church and community life in the Heart of England.

This will include:

- moving the Association Office and purchasing a property.
- undertaking research to establish the resonance of the strategic priorities, values etc with the member churches.
- undertaking training in data protection and reviewing policies and procedures.
- undertaking training in Equality, Diversity and Inclusion.
- holding an AGM and adopting new Articles.

Structure, Governance, Management

The charitable company is governed by its Articles of Association and Rules of 16 June 2012. These have been reviewed by the Trustees and their legal advisors during 2020 and updated Articles were presented to the members and adopted during 2022.

The Objects of this charitable company are the advancement of the Christian faith, particularly in the Heart of England and especially by the means of and in accordance with the principles of the Baptist denomination as set out for the time being in the Declaration of Principle of The Baptist Union of Great Britain.

Trustees' Interests

No Trustee had any beneficial interest in the charitable company or in any contract or arrangement of a material nature with the charitable company during the year under review. Declarations of Loyalty and Interest are required at the start of every meeting of Trustees and Working Groups and the Association Administrator also asks Trustees to update their written Declarations of Loyalty and Interest on an annual basis.

Recruitment, appointment, induction and training of Trustees

The charitable company is run by its Board of Trustees who are also directors. They held five meetings during 2021; these were online because of the coronavirus pandemic.

The Trustees use their Skills Audit in the process of recruiting new members of the board. Trustees are recruited through invitations to member churches to nominate people whom they believe to be appropriate for the task. Nominees are sent copies of the charitable company's Articles of Association and its Conflict of Loyalty and Interests policy and are asked to complete and sign the Declaration of Qualification to serve as a Trustee. They usually have a meeting with the Moderator of the Board of Trustees and are advised that appropriate checks will be undertaken to confirm that they are eligible to serve in this capacity. If, after this, they still wish to serve, the churches of the Association are invited to affirm the nominees by email or letter to the Administrator/Company Secretary. On appointment, they are invited to a formal induction meeting with the Administrator/Company Secretary who signposts essential documents available from the Charity Commission, Companies House and BUGB websites, as well as providing an overview of the activities of the charitable company.

The Association Administrator who is also the Company Secretary assisted all Trustees by signposting documents and conferences to help them in their work. This includes circulating information from the Charity Commission, Companies House, some third sector organisations and the Churches' Legislation Advisory Service, and advising them of seminars and training that they could attend.

The Trustees continued to work on updating the Staff Handbook with support from ACAS, Cornerstone Resources and the Baptist Union as appropriate. They undertook online training in dealing with Grievance and Discipline situations led by ACAS.

Trustees at 31 December 2021

The Moderator and Treasurer are elected annually by the members of the Association.

The Revd Duncan MacLean	Moderator
Mr Eddy Rye	Treasurer
The Revd Adrian Argile	Regional Minister – Team Leader
The Revd Glenford Gordon	Affirmed by the members of the charitable company
Mrs Joanne Green (23 April 2020)	Affirmed by the members of the charitable company
Mrs Judith Miller	Affirmed by the members of the charitable company
The Revd Dr Edward Pillar	Affirmed by the members of the charitable company
Mrs Doreen Walker	Affirmed by the members of the charitable company
Appointed during the course of the year	None
Retired during the course of the year	
The Revd Neil Bennett	until 5 August 2021

Association Information

Registered Charity Number	1080529
Registered Company Number	00238738
Registered Office	24 Weoley Park Road, Birmingham, B29 6QX
Other Office Holders	
Company Secretary/Administrator	Miss Karen Martindale

Regional Ministers serving the Association during 2021	The Revd Adrian Argile The Revd David Ellis The Revd Alison Mackay (to 3 January 2021) The Revd Neil Le Tissie
Legal Advisors	DWF LLP, One Snowhill, Snow Hill Queensway, Birmingham, B4 6GA
Surveyor/Valuer	Shaw Gilbert & Froggatt 4 Warstone Parade East, Warstone Lane, Birmingham, B18 6N
Auditor	MHA MacIntyre Hudson, Rutlund House, 148 Edmund Street, Birmingham, B3 2FD
Bankers	HSBC Bank plc, 186 Broadway, Didcot, OX11 8RP
Stockbrokers/Investment Advisors	Redmayne-Bentley LLP, 9 Bond Court, Leeds, LS1 2JZ

Related Parties

The charitable company is a member of the Baptist Union of Great Britain, paying a subscription to this charity. Funds from the Home Mission Fund, which is the principle working fund of the BUGB, are received by the charitable company and dispersed by its Grants Group.

The Registered Office of the charitable company is in property owned by BMS World Mission.

The charity has a linked charity, the Heart of England Baptist Association Loan Fund (1080529 -1) and the Trustees are also Trustees of the Umberslade Church Endowment (255061) and Directors of the CST Corporate Trustee Limited (11454313).

Key Management personnel remuneration

The charitable company consider their key management personnel to be:
The charitable company's board of Trustees

The pay and remuneration of the employees of the charitable company is set by the charitable company through the Board and its Finance Group and is based upon the Baptist Home Mission recommended stipend.

Directors' responsibilities in relation to the financial statements

The Trustees (who are also directors of The Heart of England Baptist Association for the purposes of company law) 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).

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 and of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They 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.

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- 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

This report was approved by the Board on 10/08/2022

Signed

Revd D MacLean
Moderator of the Association

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE HEART OF ENGLAND BAPTIST ASSOCIATION

Opinion

We have audited the financial statements of The Heart of England Baptist Association (the 'charitable company') for the year ended 31 December 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, 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 2021 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 Auditors' 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 United Kingdom, including the Financial Reporting Council'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.

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion 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 for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' 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 Trustees' Report.

We have nothing to report in respect of the following matters in relation to which 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 Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE HEART OF ENGLAND BAPTIST ASSOCIATION (CONTINUED)

Responsibilities of Trustees

As explained more fully in the Trustees' Responsibilities Statement, 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.

Auditors' responsibilities for the audit of the financial statements

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

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

- Obtaining an understanding of the legal and regulatory frameworks that the charity operates in, focusing on those laws and regulations that have a direct effect on the financial statements;
- Enquiring of management and Trustees around known or suspected instances of non-compliance of laws and regulations and fraud;
- Discussing among the engagement team regarding how and where fraud might occur in the charity financial statements and any potential indications of fraud;
- Reviewing minutes of meetings of those charged with governance; and
- Performing audit work in relation to the risk of management override, including testing of journal entries and other adjustments for appropriateness and reviewing accounting estimates or bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE HEART OF ENGLAND BAPTIST ASSOCIATION (CONTINUED)

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 Auditors' Report.

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 Auditors' 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 charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Helen Blundell LLB FCA FCIE DChA (Senior Statutory Auditor)

for and on behalf of
MHA MacIntyre Hudson

Chartered Accountants
Statutory Auditors

Birmingham, United Kingdom

Date: 16 August 2022

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds *2020* £
Income from:					
Donations and legacies	4	**243,381**	**-**	**243,381**	562,550
Charitable activities	5	**37,510**	**-**	**37,510**	44,928
Investments	6	**123,707**	**7,452**	**131,159**	126,581
Other income	7	**12,631**	**-**	**12,631**	19,433
Total income		**417,229**	**7,452**	**424,681**	753,492
Expenditure on:					
Raising funds	8,9	**38,851**	**-**	**38,851**	44,186
Charitable activities	10	**582,665**	**26,160**	**608,825**	678,932
Total expenditure		**621,516**	**26,160**	**647,676**	723,118
Net gains/(losses) on investments	16	**175,051**	**-**	**175,051**	(238,175)
Net movement in funds before other recognised gains		**(29,236)**	**(18,708)**	**(47,944)**	(207,801)
Other recognised gains:					
Other gains	26	**4,984**	**-**	**4,984**	47,073
Net movement in funds		**(24,252)**	**(18,708)**	**(42,960)**	(160,728)
Reconciliation of funds:					
Total funds brought forward		**1,803,110**	**1,433,137**	**3,236,247**	3,396,975
Net movement in funds		**(24,252)**	**(18,708)**	**(42,960)**	(160,728)
Total funds carried forward		**1,778,858**	**1,414,429**	**3,193,287**	3,236,247

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 17 to 43 form part of these financial statements.

BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note		2021 £		*2020 £*
Fixed assets					
Tangible assets	15		**1,139,283**		1,608,290
Investments	16		**3,036,991**		2,945,387
			4,176,274		4,553,677
Current assets					
Debtors	17	**172,319**		208,126	
Investments	18	**177,892**		301,678	
Cash at bank and in hand		**918,543**		352,167	
		1,268,754		861,971	
Creditors: amounts falling due within one year	19	**(2,166,141)**		(2,072,432)	
Net current liabilities			**(897,387)**		(1,210,461)
Total assets less current liabilities			**3,278,887**		3,343,216
Creditors: amounts falling due after more than one year	20		**(4,000)**		(4,000)
Net assets excluding pension liability			**3,274,887**		3,339,216
Defined benefit pension scheme liability	26		**(81,600)**		(102,969)
Total net assets			**3,193,287**		3,236,247
Charity funds					
Restricted funds	21		**1,414,429**		1,433,137
Unrestricted funds	21		**1,778,858**		1,803,110
Total funds			**3,193,287**		3,236,247

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2021

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

.....
Revd D MacLean
Trustee and Moderator of the Association

Date: 10/08/2022

The notes on pages 17 to 43 form part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

	2021 £	*2020* *£*
Cash flows from operating activities		
Net cash used in operating activities (Note 23)	**(245,618)**	(211,852)
Cash flows from investing activities		
Dividends, interests and rents from investments	**131,159**	126,581
Proceeds from the sale of tangible fixed assets	**495,400**	-
Purchase of tangible fixed assets	**(4,123)**	(296,797)
Proceeds from sale of investments	**297,479**	175,307
Purchase of investments	**(278,853)**	(68,998)
Net cash provided by/(used in) investing activities	**641,062**	**(63,907)**
Cash flows from financing activities		
Deficiency payments against pension liability	**(17,677)**	(13,016)
Net cash used in financing activities	**(17,677)**	**(13,016)**
Change in cash and cash equivalents in the year	**377,767**	**(288,775)**
Cash and cash equivalents at the beginning of the year	**768,714**	1,057,489
Cash and cash equivalents at the end of the year	**1,146,481**	768,714

The notes on pages 17 to 43 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. General information

The Heart of England Baptist Association is a private company (limited by guarantee) incorporated in England, registration number 00238738, and is also a registered Charity in England and Wales, registration number 1080529. The registered office is BMS International Mission Centre, 24 Weoley Park Road, Selly Oak, Birmingham B29 6QX.

The principal activities of the charitable company are the employment of a Regional Ministry and administrative staff team and the involvement of a number of volunteers, working in groups or individually, to offer support and guidance, training and financial resources to advance the Christian faith in a way which benefits Baptist churches and the communities they serve.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Heart of England Baptist Association meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The financial statements are prepared in British Pound Sterling (£), which is the functional and presentational currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest £.

The charity has taken exemption from the requirement to prepare consolidated financial statements on the grounds that the subsidiary is immaterial to the group.

2.2 Company status

The Company is limited by guarantee. The members of the Company are the Trustees named on pages 6 and 7. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

2.3 Going concern

The financial statements have been prepared on a going concern basis. The Trustees have considered budgets, cash flows and the impact of subsequent events, including that of COVID-19. Whilst the economic shutdown in response to COVID-19 has a significant impact on the Charity's operations, the Trustees are satisfied that the Charity has sufficient available resources, both in terms of cash and investments that can be converted to cash, such that there is no material uncertainty and the going concern basis of preparing the financial statements continues to be appropriate.

2. Accounting policies (continued)

2.4 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the Charity has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the Charity, can be reliably measured.

Donated services or facilities are recognised when the Charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the Charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102).

On receipt, donated professional services and facilities are recognised on the basis of the value of the gift to the Charity which is the amount it would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

2. Accounting policies (continued)

2.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Support costs are those costs incurred directly in support of expenditure on the objects of the company.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

All expenditure is inclusive of irrecoverable VAT.

2.6 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the bank.

2.7 Taxation

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

2. Accounting policies (continued)

2.8 Tangible fixed assets and depreciation

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

At each reporting date the Company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined to be the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

No value is attributed to burial grounds owned by the company as the original cost is not known and due to the nature of the asset it is not considered possible to determine a fair value.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

Depreciation is provided on the following basis:

Freehold property	-	2% straight line*
Fixtures and fittings	-	15% straight line
Computer equipment	-	33% straight line

* The depreciation charge for freehold property is £nil due to the residual value of the properties being assessed at a value at least equal to cost.

No depreciation is charged on the freehold land.

2.9 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as gains/(losses) on investments' in the Statement of Financial Activities.

2.10 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid.

Loans to churches are concessionary loans made in furtherance of the charity's purposes. Loans are recognised at cost as adjusted for any repayments made less impairment.

2.11 Cash at bank and in hand

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

2. Accounting policies (continued)

2.12 Liabilities and Provisions

Liabilities and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of Financial Activities as a finance cost.

2.13 Financial instruments

The Charity only has financial assets and financial 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.

2.14 Operating leases

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

2.15 Pensions

The Charity participates in a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the charity pays fixed contributions into a separate entity. Once the contributions have been paid the charity has no further payment obligations. The contributions are recognised as an expenditure 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 charity in an independently administered fund.

Prior to 2012, the pension provision was made through two multi-employer defined benefit pension plans. Where it is not possible for the Charity to obtain sufficient information to enable it to account for a plan as a defined benefit plan, it accounts for the plan as a defined contribution plan. Where the plan is in deficit and where the charity has agreed, with the plan, to participate in a deficit funding arrangement, the charity recognised a liability for this obligation. The amount recognised is the net present value of the contributions payable under the agreement that relate to the deficit. This amount is expensed in the Statement of Financial Activities.

2. Accounting policies (continued)

2.16 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

3. Critical accounting estimates and areas of judgement

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.

Judgements in applying the entity's accounting policies:

Multi-employer defined benefit pension schemes - certain employees participate in multi-employer defined benefit pension schemes with other organisations. In the judgement of the Trustees, the Charity does not have sufficient information on the plan assets and liabilities to be able to reliably account for its share of the defined benefit obligation and plan assets. Therefore the schemes are accounted for as defined contribution schemes.

Critical accounting estimates and assumptions:

Multi-employer defined benefit pension scheme - the Charity has an obligation to pay a deficit funding arrangement in respect of two-multi employer defined benefit pension schemes (Baptist Pension Scheme and Baptist Union Staff Pension Scheme). The present value of the obligation depends on a number of factors including the RPI rate and the discount rate on corporate bonds. Management estimates these factors in determining the new pension obligation in the Balance Sheet.

Useful economic lives and residual values of tangible assets - the annual depreciation charge of tangible assets is sensitive to changes in the estimated useful economic lives and the 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 economic utilisation, physical condition and future investments of assets.

4. Income from donations and legacies

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Donations			
Donations	200	-	**200**
Subtotal detailed disclosure	200	-	**200**
Home Mission Fund Grant	123,032	-	**123,032**
Home Mission Grant for mission	120,149	-	**120,149**
Total 2021	243,381	-	**243,381**

	Unrestricted funds *2020* £	Restricted funds *2020* £	Total funds *2020* £
Donations			
Donations	3,900	-	3,900
Donated assets	294,000	-	294,000
Subtotal detailed disclosure	297,900	-	297,900
Home Mission Fund Grant	119,332	-	119,332
Home Mission Grant for mission	136,994	-	136,994
Flood appeal grants	-	8,324	8,324
Total 2020	554,226	8,324	562,550

5. Income from charitable activities

	Unrestricted funds 2021 £	Total funds 2021 £
Ministers' Conference	10	**10**
Other activities	37,500	**37,500**
Total 2021	37,510	**37,510**

	Unrestricted funds *2020* £	Total funds *2020* £
Ministers' Conference	11,616	11,616
Other activities	33,312	33,312
Total 2020	44,928	44,928

6. Investment income

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Retired Minister Housing Income	10,550	6,669	**17,219**
Dividends and bond interest	112,655	-	**112,655**
Interest on loans	502	783	**1,285**
Total 2021	123,707	7,452	**131,159**

	Unrestricted funds *2020* £	Restricted funds *2020* £	Total funds *2020* £
Retired Minister Housing Income	1,300	7,901	9,201
Dividends and bond interest	115,904	-	115,904
Interest on loans	936	540	1,476
Total 2020	118,140	8,441	126,581

7. Other incoming resources

	Unrestricted funds 2021 £	Total funds 2021 £
Payroll service	12,399	**12,399**
Other activities	232	**232**
Total 2021	12,631	**12,631**

7. Other incoming resources (continued)

	Unrestricted funds *2020* £	Total funds *2020* £
Payroll service	18,774	18,774
Other activities	659	659
Total 2020	19,433	19,433

8. Expenditure on raising funds

	Unrestricted funds 2021 £	**Total funds 2021 £**
Foreign exchange loss on investments	1,153	**1,153**
Payroll scheme expenses	10,998	**10,998**
Interest on funds held for churches	8,242	**8,242**
Total 2021	20,393	**20,393**

	Unrestricted funds *2020* £	Total funds *2020* £
Foreign exchange loss on investments	6,106	6,106
Payroll scheme expenses	10,915	10,915
Interest on funds held for churches	8,852	8,852
Total 2020	25,873	25,873

9. Investment management costs

	Unrestricted funds 2021 £	Total funds 2021 £
Investment management fees	18,458	**18,458**

	Unrestricted funds *2020* £	Total funds *2020* £
Investment management fees	18,313	18,313

10. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Regional Ministry Team	145,619	-	**145,619**
Grants	253,461	11,374	**264,835**
Subscriptions	2,142	-	**2,142**
Minister's Conference	4,971	-	**4,971**
Association Activities	176,472	14,786	**191,258**
	582,665	26,160	**608,825**

10. Analysis of expenditure on charitable activities (continued)

Summary by fund type (continued)

	Unrestricted funds *2020* £	Restricted funds *2020* £	Total funds *2020* £
Regional Ministry Team	186,042	-	186,042
Grants	289,137	2,000	291,137
Subscriptions	7,704	-	7,704
Minister's Conference	12,546	-	12,546
Association Activities	177,089	4,414	181,503
	672,518	6,414	678,932

11. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	**Grant funding of activities 2021 £**	**Support costs 2021 £**	**Total funds 2021 £**
Regional Ministry Team	145,574	-	45	**145,619**
Grants	-	264,835	-	**264,835**
Subscriptions	2,142	-	-	**2,142**
Minister's Conference	4,971	-	-	**4,971**
Association Activities	14,786	-	176,472	**191,258**
Total 2021	167,473	264,835	176,517	**608,825**

11. Analysis of expenditure by activities (continued)

	Activities undertaken directly 2020 £	Grant funding of activities 2020 £	Support costs 2020 £	Total funds 2020 £
Regional Ministry Team	185,892	-	150	186,042
Grants	-	291,137	-	291,137
Subscriptions	7,704	-	-	7,704
Minister's Conference	11,706	-	840	12,546
Association Activities	4,414	-	177,089	181,503
Total 2020	209,716	291,137	178,079	678,932

A detailed analysis of grants paid during the year is included at Appendix 1.

Analysis of direct costs

	Regional Ministry Team 2021 £	**Subcriptions 2021 £**	**Minister's Conference 2021 £**	**Association Activities 2021 £**	**Total funds 2021 £**
Staff costs	119,721	-	-	-	**119,721**
Minister's conference	-	-	4,971	-	**4,971**
Regional Ministry Team	24,561	-	-	-	**24,561**
Subscriptions	-	2,142	-	-	**2,142**
Association activities	-	-	-	14,786	**14,786**
Finance cost (pension deficit)	1,292	-	-	-	**1,292**
Total 2021	145,574	2,142	4,971	14,786	**167,473**

11. Analysis of expenditure by activities (continued)

Analysis of direct costs (continued)

	Regional Ministry Team *2020* £	Subscriptions *2020* £	Minister's Conference *2020* £	Association Activities *2020* £	Total funds *2020* £
Staff costs	152,820	-	-	-	152,820
Minister's conference	-	-	11,706	-	11,706
Regional Ministry Team	30,348	-	-	-	30,348
Subscriptions	-	7,704	-	-	7,704
Association activities	-	-	-	4,414	4,414
Finance cost (pension deficit)	2,724	-	-	-	2,724
Total 2020	185,892	7,704	11,706	4,414	209,716

Analysis of support costs

	Total funds 2021 £	*Total funds 2020* £
Staff costs	**113,067**	107,802
Depreciation	**3,189**	2,444
Regional Ministry Team	**45**	150
Payroll scheme expenses	**1,467**	1,170
Premises costs and administration	**28,578**	27,873
Other staff costs including training	**3,837**	3,787
Property	**4,822**	12,109
Working groups	**633**	1,186
IT	**9,545**	4,831
Board expenses	**837**	1,380
Legal and professional	**12,642**	4,589
Other	**6,764**	4,580
Audit and accountancy fees	**16,548**	6,178
Profit on disposal of fixed asset held for sale	**(25,457)**	-
	176,517	178,079

12. Auditors' remuneration

The auditors' remuneration amounts to an auditor fee of £10,200 (2020 - £10,200), and non audit services of £1,800 (2020 - £1,800).

13. Staff costs

	2021 £	2020 £
Wages and salaries	**195,920**	216,386
Social security costs	**13,464**	18,637
Pension costs (note 26)	**23,404**	25,599
	232,788	260,622

The average number of persons employed by the Company during the year was as follows:

	2021 No.	2020 No.
	8	9

No employee received remuneration amounting to more than £60,000 in either year.

During the year the Rev A Argile, a Trustee of the charitable company, received remuneration for his role as Regional Minister Team Leader and travel expenses in connection with that role. He was not remunerated for Trustee duties. The cost to the Charity of the remuneration (gross pay plus employer's national insurance and pension) was £41,699 (2020: £44,183) and expenses were £3,190 (2020: £3,263).

Key management personnel of the Charity are considered to be the Trustees. No other Trustee received any remuneration.

14. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2020: £Nil), except as disclosued above.

During the year ended 31 December 2021, expenses totalling £837 were reimbursed or paid directly to 7 Trustees (2020 - £1,380 to 7 Trustees).

15. Tangible fixed assets

	Freehold property £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation				
At 1 January 2021	**1,599,876**	**34,152**	**10,868**	**1,644,896**
Additions	**-**	**-**	**4,123**	**4,123**
Disposals	**(469,000)**	**(21,396)**	**(3,577)**	**(493,973)**
At 31 December 2021	**1,130,876**	**12,756**	**11,414**	**1,155,046**
Depreciation				
At 1 January 2021	**-**	**28,606**	**8,000**	**36,606**
Charge for the year	**-**	**1,151**	**2,038**	**3,189**
On disposals	**-**	**(20,453)**	**(3,579)**	**(24,032)**
At 31 December 2021	**-**	**9,304**	**6,459**	**15,763**
Net book value				
At 31 December 2021	**1,130,876**	**3,452**	**4,955**	**1,139,283**
At 31 December 2020	1,599,876	5,546	2,868	1,608,290

16. Fixed asset investments

	Listed investments £	Other fixed asset investments £	Total £
Cost or valuation			
At 1 January 2021	**2,830,519**	**114,869**	**2,945,388**
Additions	**278,853**	**-**	**278,853**
Disposals	**(297,479)**	**(63,669)**	**(361,148)**
Revaluations	**175,051**	**-**	**175,051**
Foreign exchange movement	**-**	**(1,153)**	**(1,153)**
At 31 December 2021	**2,986,944**	**50,047**	**3,036,991**

16. Fixed asset investments (continued)

All fixed asset investments are held in the UK

Subsidiary undertaking

The CST Corporate Trustee Limited (Company number 11454313), a Company limited by guarantee, is a subsidiary by virtue of the Charity being the sole member.

Its sole purpose is to act as a corporate Trustee in respect of the assets of the Cannon Street Trust.

The subsidiary is not material to the group and has therefore not been included in the financial statements.

17. Debtors

	2021 £	*2020* *£*
Trade debtors	**2,849**	1,418
Other debtors	**140,564**	193,558
Prepayments and accrued income	**28,906**	13,150
	172,319	208,126

Included within other debtors are loans to churches of £140,564 (2020: £193,558) which are generally expected to be received after one year.

18. Current asset investments

	2021 £	*2020* *£*
Deposits held on behalf of churches	**177,892**	301,678

19. Creditors: Amounts falling due within one year

	2021 £	*2020 £*
Trade creditors	**3,164**	(2,671)
Other taxation and social security	**6,948**	7,305
Other creditors	**2,126,617**	2,023,568
Accruals and deferred income	**29,412**	44,230
	2,166,141	2,072,432

Included within other creditors is an amount of £2,126,617 (2020: £2,023,568) held on behalf of certain churches and the Cannon Street Trust. The churches are required to give due notice before withdrawal of these amounts.

20. Creditors: Amounts falling due after more than one year

	2021 £	*2020 £*
Other creditors	**4,000**	4,000

Other creditors represents a contribution to Retired Housing which is an equity contribution by the tenants which is repayable on the sale of the property at Clee View, Bridgnorth.

21. Statement of funds

Statement of funds - current year

	Balance at 1 January 2021 £	Income £	Expenditure £	Transfers in/(out) £	Gains/ (Losses) £	Balance at 31 December 2021 £
Designated funds						
Church Resources Fund	44,734	-	(2,800)	-	-	41,934
Minister's Resources Fund	38,205	-	(1,250)	-	-	36,955
Regional Ministry Fund	186,588	-	(45)	-	-	186,543
Mission Development	493,279	-	(87,081)	(42,181)	-	364,017
Monkspath Fund	90,387	-	-	-	-	90,387
Mission Grant Funds	-	120,149	(162,330)	42,181	-	-
Pension reserve	66,429	-	(20,600)	-	-	45,829
	919,622	120,149	(274,106)	-	-	765,665
General funds						
General Funds - all funds	883,488	297,080	(347,410)	-	180,035	1,013,193
Total Unrestricted funds	1,803,110	417,229	(621,516)	-	180,035	1,778,858
Restricted funds						
Atch Lench Baptist Trust	28,443	-	(11,374)	-	-	17,069
Heart of England Loan Fund	850,863	-	-	-	-	850,863
Helen Youth Fund	1,581	-	-	-	-	1,581
Retired Ministers & Missionaries Housing Fund	532,698	6,669	(13,893)	-	-	525,474
Westmancote Baptist Trust	12,390	-	-	-	-	12,390
Benevolent Fund	838	783	(893)	-	-	728
Flood Fund	6,324	-	-	-	-	6,324
	1,433,137	7,452	(26,160)	-	-	1,414,429
Total of funds	3,236,247	424,681	(647,676)	-	180,035	3,193,287

21. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 January 2020 £	Income £	Expenditure £	Transfers in/(out) £	Gains/ (Losses) £	Balance at 31 December 2020 £
Designated funds						
Church Resources Fund	44,734	-	-	-	-	44,734
Minister's Resources Fund	38,205	-	-	-	-	38,205
Regional Ministry Fund	186,738	-	(150)	-	-	186,588
Mission Development	351,762	294,000	(112,047)	(40,436)	-	493,279
Monkspath Fund	90,387	-	-	-	-	90,387
Mission Grant Funds	-	136,994	(177,430)	40,436	-	-
Pension reserve	66,429	-	-	-	-	66,429
	778,255	430,994	(289,627)	-	-	919,622
General funds						
General Funds	1,195,934	305,733	(427,077)	-	(191,102)	883,488
Total Unrestricted funds	1,974,189	736,727	(716,704)	-	(191,102)	1,803,110
Restricted funds						
Atch Lench Baptist Trust	28,443	-	-	-	-	28,443
Heart of England Loan Fund	850,863	-	-	-	-	850,863
Helen Youth Fund	1,581	-	-	-	-	1,581
Retired Ministers & Missionaries Housing Fund	528,154	7,901	(3,357)	-	-	532,698
Westmancote Baptist Trust	12,390	-	-	-	-	12,390
Benevolent Fund	1,355	540	(1,057)	-	-	838
Flood Fund	-	8,324	(2,000)	-	-	6,324
	1,422,786	16,765	(6,414)	-	-	1,433,137
Total of funds	3,396,975	753,492	(723,118)	-	(191,102)	3,236,247

22. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	1,139,283	-	**1,139,283**
Fixed asset investments	744,214	2,292,777	**3,036,991**
Current assets	16,485	1,252,269	**1,268,754**
Creditors due within one year	(39,524)	(2,126,617)	**(2,166,141)**
Creditors due in more than one year	-	(4,000)	**(4,000)**
Provisions for liabilities and charges	(81,600)	-	**(81,600)**
Total	1,778,858	1,414,429	**3,193,287**

Analysis of net assets between funds - prior year

	Unrestricted funds 2020 £	*Restricted funds 2020* £	*Total funds 2020* £
Tangible fixed assets	1,091,687	516,603	1,608,290
Fixed asset investments	863,256	2,082,131	2,945,387
Current assets	-	861,971	861,971
Creditors due within one year	(48,864)	(2,023,568)	(2,072,432)
Creditors due in more than one year	-	(4,000)	(4,000)
Provisions for liabilities and charges	(102,969)	-	(102,969)
Total	1,803,110	1,433,137	3,236,247

23. Reconciliation of net movement in funds to net cash flow from operating activities

	2021 £	*2020 £*
Net expenditure for the year (as per Statement of Financial Activities)	**(47,944)**	(207,801)
Adjustments for:		
Depreciation charges	**3,189**	2,444
(Gains)/losses on investments	**(175,051)**	238,175
Dividends, interests and rents from investments	**(131,159)**	(126,581)
Gain on the sale of fixed assets	**(25,461)**	-
Decrease in debtors	**35,807**	25,612
Increase/(decrease) in creditors	**93,709**	(146,425)
Defined benefit scheme finance cost adjustment	**1,292**	2,724
Net cash used in operating activities	**(245,618)**	(211,852)

24. Analysis of cash and cash equivalents

	2021 £	*2020 £*
Cash in hand	**918,543**	300,276
Notice deposits (less than 3 months)	**227,938**	468,438
Total cash and cash equivalents	**1,146,481**	768,714

25. Analysis of changes in net debt

	At 1 January 2021 £	Cash flows £	At 31 December 2021 £
Cash at bank and in hand	**352,167**	**566,376**	**918,543**
Liquid investments	**416,547**	**(188,609)**	**227,938**
	768,714	**377,767**	**1,146,481**

26. Pension commitments

The Heart of England Baptist Association is a participating employer in the Baptist Pension Scheme ("the BPS"), which is a separate legal entity administered by the Pension Trustee (Baptist Pension Trust Limited). The assets of the Scheme are held separately from those of the Employer and the other participating employers.

The Scheme, previously known as the Baptist Ministers' Pension Fund, started in 1925, but was closed to future accrual of defined benefits on 31 December 2011. Prior to this date the main benefit provided through the Defined Benefit (DB) Plan was a pension of one eightieth of final minimum pensionable income for each year of pensionable service together with additional pension in respect of premiums paid on Pensionable Income in excess of Minimum Pensionable Income.

From January 2012, pension provision is being made through the Defined Contribution (DC) Plan within the Scheme. 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 Broadstone Corporate Benefits Ltd. 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 Scheme members if 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 Aviva Limited. Members of the Basic Section pay reduced contributions of 5% of Pensionable Income, and their employers also pay a total of 5%.

The Scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. Because it is not possible to attribute the Scheme's assets and liabilities to specific employers, the scheme is accounted for as if the Scheme were a defined contribution scheme.

The table below summarises the main results of the most recent actuarial valuations of the BUSPS and the Defined Benefit (DB) Plan in the BPS. These valuations were performed by a professionally qualified Actuary using the Projected Unit Method:

	BPS DB Plan	BUSPS
Date of valuation	31 December 2019	1 January 2017
Date of next valuation	31 December 2022	N/A scheme is in wind-up
Market value of scheme assets (A)	£298m	£10.3m
Technical provisions (B)	£316m	£16.2m
Deficit [(B) - (A)]	£18m	£5.9m
Funding level [(A) / (B)]	94%	64%

As a result of the valuations, in addition to the contributions to the DC Plan set out above, the following deficiency contributions were agreed:

For the BPS, the standard rate of deficiency contributions payable remains at previously agreed levels, increasing each year in line with increases in the Minimum Pensionable Income. The deficiency contributions are broadly based on 12% of Pensionable Income/Minimum Pensionable Income, reflecting each employer's contributions in March 2015. Some employers that were involved in the DB Plan for a short period pay lower contributions. The Trustee and the Council agreed a 50% reduction for all deficiency contributions payable between 1 July 2020 to 31 December 2020. In addition, the Baptist Union of Great Britain agreed to contribute a lump sum of £0.5m by 31 December 2020. The current Recovery Plan dated 30 September 2020 envisages deficiency contributions continuing until 30 June 2026.

26. Pension commitments (continued)

Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability. The movement in the provision is set out in the table below.

	2021 £	*2020 £*
Balance sheet liability at year start	**102,969**	160,334
Minus deficiency contributions paid	**(17,677)**	(13,016)
Interest cost (recognised in SoFA)	**1,292**	2,724
Remaining change to balance sheet liability* (recognised in SoFA)	**(4,984)**	(47,073)
Balance sheet liability at year end	**81,600**	102,969

* Comprises any change in agreed deficit recovery plan and change in assumptions between year-ends.

For the BUSPS, previously agreed contributions of £759,000 pa (payable from 1 January 2016 and increasing each January in line with RPI inflation) were due until 31 January 2018. Following this, a lump sum payment of £2,734,062 was paid in February 2018 and further contributions were made to ensure the Scheme had sufficient assets to secure the BUSPS benefits in full with an insurer. The total contributions were split between the sponsoring employers in line with their estimated share of the BUSPS's liabilities. These significant contributions were part of a plan to wind up the BUSPS. The Scheme formally triggered wind-up on 31 August 2018, and wind-up was completed in September 2019. As part of this, the benefits for BUSPS members who are also active members of the BPS were increased to offset the fact that their BUSPS benefits will no longer increase in future in line with changes in their salary. An additional contribution was also been made to the DC Plan within the BPS for members who are yet to retire and have a BPS DC fund. In practice the Association paid money to BUGB in 2018 which was intended to cover all of the Association's outstanding commitments to the BUSPS, and a portion of this money (to the extent it was not required to secure the benefits in full and cover outstanding costs) was returned to the Association by BUGB in 2019.

The key financial assumptions underlying the valuations were as follows:

Type of assumption	BPS % pa	BUSPS % pa
RPI price inflation assumption	3.20	3.45
CPI price inflation assumption	2.70	2.70
Minimum Pensionable Income Increases (BPS only)	3.20	N/A
Pensionable Salary increase (BUSPS only)	N/A	3.70
Assumed investment returns		
- Pre-retirement	2.95	3.50
- Post retirement	1.70	2.25
Deferred pension increases		
- Pre April 2009	3.20	3.45
- Post April 2009	2.50	2.50
Pension increases		
- Pre April 2006	2.70	3.25
- Post April 2006	2.80	2.15

As there are numbers of contributing employers participating in both the BPS and the BUSPS, the Charity is unable to identify its share of the underlying assets and liabilities of the schemes. Accordingly, the profit and loss charge for the period represents the employer contributions payable. The total pension cost for the Charity in the year were £23,404 (2020: £25,599) for the BPS.

27. Operating lease commitments

At 31 December 2021 the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021 £	*2020* £
Not later than 1 year	**732**	25,110
Later than 1 year and not later than 5 years	**6,210**	1,113
	6,942	26,223

28. Related party transactions

The charity is a member of the Baptist Union of Great Britain and is in receipt of grants from the Home Mission Fund which is part of the Baptist Union. Grants of £243,181 (2020: £259,480) were received in this respect.

Trustees of the Charity are drawn from the membership of the local Baptist Churches and there are therefore, from time to time, grant awards made to benefit either the individual or the church. There is a formal process in relation to grant applications which helps to ensure that any conflict of interest is mitigated by the exclusion of the conflicted individual in the decision making process.

During the previous year a laptop was sold to Tim Fergusson at its residual value of £67.

The CST Corporate Trustee Limited
The CST Corporate Trustee Limited is a trust corporation constituted as a company limited by guarantee of which HEBA is the sole member and director.

Included within other creditors is an amount of £462,630 (2020: £463,630) held on behalf of the Cannon Street Trust.

Umberslade Endowment Charity
The Trustees of HEBA are also Trustees of the above named Charity which is registered with the Charity Commission. There are no transactions between the two entities but HEBA oversees the activity of the Charity.

The Cannon Street Baptist Chapel Trust
HEBA is in the process of transferring the trusteeship of the Cannon Street Trust to The CST Corporate Trustee Limited.

The following church buildings, all within Birmingham, except Smethwick, are owned by the Cannon Street Trust. The buildings are occupied by the churches on the equivalent of fully insuring and repairing leases at a peppercorn rent. The 'leases' expire when the churches no longer require the property.

Birmingham Central Baptist Church
Cannon Street Memorial Church
Castle Bromwich Baptist Church and Manse
Church of the Redeemer
City Road Baptist Church
People's Chapel
Small Heath Baptist Church
Smethwick Baptist Church
Stratford Road Baptist Church

29. Post balance sheet events

On 1 July 2022, The Heart of England Baptist Association acquired the freehold of 480 Chester Road for £380,775.

30. Controlling party

The Charity is ultimately controlled by the Board of Trustees.

31. Company limited by guarantee

The Charity is a Company limited by guarantee and does not have share capital.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

Appendix 1 – Grants paid during the year

Grants to Churches	Unrestricted	Designated from Missions Grant	Designated	Restricted	2021 Total	2020 Total
Baddeley Edge	-	7,718	-	-	7,718	8,100
Boymeadow re Flood fund	-	-	-	-	-	1,500
Bearwood	-	-	1,000	-	1,000	-
Black Country Urban Industrial Mission	-	5,104	-	-	5,104	-
Bromsgrove BC	-	-	-	-	-	4,167
Chelmsley Wood	-	3,675	-	-	3,675	4,800
Cookhill BC	-	-	-	-	-	-
Cornerstone, Oswestry	-	5,880	-	-	5,880	6,480
Darkhouse	-	6,125	-	-	6,125	6,000
Dawley	-	8,943	-	-	8,943	8,769
Delves, Walsall	-	6,125	-	-	6,125	3,000
Emmaus	-	4,550	-	-	4,550	-
Ewyas Harold	-	5,716	-	-	5,716	6,264
Far Forest	-	-	-	11,374	11,374	-
Gateway to Hope	-	6,125	-	-	6,125	6,000
George Road Community Ch	-	9,188	-	-	9,188	7,500
Glebe Farm	-	-	5,250	-	5,250	9,583
Glebe Farm Pioneer	-	5,104	1,215	-	6,319	-
Green Lane, Walsall	-	11,025	-	-	11,025	14,917
Keele University LEP	-	5,250	-	-	5,250	6,000
Kidderminster BC	-	-	-	-	-	500

Appendix 1 – Grants paid during the year

Kings Community Church	-	-	2,000	-	2,000	4,000
Limbrick Wood, Coventry	-	1,089	-	-	1,089	10,800
Lentons Lane BC	-	-	1,000	-	1,000	-
Londonderry	-	7,962	-	-	7,962	9,000
Madeley	-	4,900	-	-	4,900	8,400
New Hope	-	-	-	-	-	3,000
Newport	-	8,587	-	-	8,587	9,600
Putson	-	7,656	-	-	7,656	-
Rising Brook re Pioneer grant	-	12,917	-	-	12,917	20,417
Rising Brook re Ministry Among the Deaf	-	25,500	-	-	25,500	24,000
Sandon Road	-	-	-	-	-	4,667
Six Ways re Castle Vale Project	-	-	5,928	-	5,928	6,372
Six Ways re Castle Vale Project	-	12,250	-	-	12,250	12,000
Six Ways re Castle Vale Project	-	-	1,144	-	1,144	-
Smethwick re BCUIM	-	1,640	-	-	1,640	9,600
South Street	-	-	-	-	-	12,678
Stoke	-	4,594	-	-	4,594	12,900
Upton BC re Flood fund	-	-	-	-	-	500
Warley	-	-	1,000	-	1,000	5,000
Warley	-	-	-	-	-	500
Warley	-	6,125	-	-	6,125	-

Appendix 1 – Grants paid during the year

Wednesbury	-	6,125	-	-	6,125	6,000
Wolston	-	3,063	-	-	3,063	3,000
Grants to Individuals						
Rev Kirsteen Macaulay	500	-	-	-	500	-
Rev'd N.Bennett	329	-	-	-	329	500
Church from Scratch project	-	-	100	-	100	-
Grants to Organisations						
B.C.C.E & C.L.A.S.P	-	-	608	-	608	-
Churches Ind Group Bham	-	-	2,000	-	2,000	1,000
Churches Together in Shropshire	-	-	2,000	-	2,000	-
Churches Together in Hereford	-	-	750	-	750	-
Birmingham Churches Together	-	-	5,360	-	5,360	-
Faith at Work in Worcs	-	-	5,625	-	5,625	4,750
HEBA Women's Ministers Day	-	-	-	-	-	440
Telford Christians Together	-	-	4,500	-	4,500	6,000
Urban Expression	-	-	6,250	-	6,250	6,250
Urban Expression Cobridge	-	-	-	-	-	1,200
West Mids FE Chaplaincy	-	-	1,500	-	1,500	4,555
Workcare	-	-	7,000	-	7,000	7,000

Appendix 1 – Grants paid during the year

Ministry among Deaf Exps	1,854	-	-	-	1,854	1,429
Telford Christians Together	-	-	392	-	392	2,000
Total	**2,683**	**192,936**	**54,622**	**11,374**	**261,615**	**291,138**

Appendix 2

Properties Held as Custodian or Holding Trustee on behalf of Others at 31 December 2021.

CST = *Cannon Street Trust* **C** = *Conservation area* **L** = *Listed*

Name		Details
Acocks Green	L	Chapel, School Hall, Manse
Alvechurch	C	Chapel, Schoolrooms, land at rear, Manse
Attleborough		Church, other properties, Manse
Ashmore Park		Chapel, Hall
Austrey	L	Church Buildings
Baddeley Edge		Chapel
Baptist Church Centre Handsworth		Church
Barnt Green		Chapel, land at rear Manse
Bearwood		Church and School Hall
Bedworth		Chapel and School Hall, Manse
Bilston		Church and halls, Manse
Binley Woods (LEP)		Manse
Birmingham Central Baptist Church	**CST**	Church, Land Adjoining car park
Bridgnorth	L	Chapel, Offices 7 West Castle Street
Brierley Hill		Chapel, Schoolrooms, Burial ground
Bromsgrove		Chapel and School Hall Manse
Butt Lane, Stoke-on-Trent		Chapel and School Hall
Cannon Street Memorial	**CST**	Church and Halls, House, Manse
Carters Lane		Chapel and School hall Manse
Castle Bromwich	**CST**	Church and Manse
Castle Hill, Warwick	C	Church, other properties, Manse
Catshill		Chapel and halls, burial ground, Manse
Cedar Church, Kingstanding		Chapel and Hall

Chadsmoor		Chapel, Schoolrooms
Chase		Chuch
Chelmsley Wood		Church Centre, Manse
Chester Road,		Chapel, Manse
Chorley		Chapel, Burial Ground
Church of the Redeemer	**CST**	Properties in Monument Road
City Road	**CST**	Church, Manse
Darkhouse		Chapel, School Hall and small burial ground
Dawley		Graveyard, Bell St Church, School Hall and Burial Ground, Manse
Donnington Wood		Chapel
Edward Rd	L	Chapel and Schoolrooms
Erdington, Six Ways		Chapel, School Halls, Manse
Ewyas Harold		Church, Manse and Land adjoining
Far Forest		Church
Fenton		Chapel and School Hall
Fordhouses Wolverhampton		Chapel and School Hall, Manse
Four Oaks		Chapel and Halls, House
George Road Community Church		Church and hall
Grace Community Church		Church building and land abutting church
Grenfell		Chapel, Land adjoining, House
Hall Green (Cristchurch LEP)		Chapel, Hall, Manse
Hope Stourbridge		Chapel, School Hall, Manse
Hanley, Stoke-on-Trent		Church Centre
Harborne		Church and Halls, other properties, Manse
Hearsall		Manse
Kenilworth		Church
Highgate		Church, hall and flat above.

Hockley Heath		Church Hall, land Adjoining
Kings Community Church Kings Norton		Church and Schoolroom Chapel, School Hall and land adjoining, Manse
Ledbury	L	Church, Manse and additional house
Lentons Lane, Coventry		Church, School Hall, additional land, Manse
Limbrick Wood		Church and Hall, Manse
Londonderry		Church and hall
Longbridge		Chapel and Hall, Manse
Longford		Salem: School Halls - Leased expiring 2030 Union Place: Church, hall and burial ground
Ludlow		Church Centre
Netherton, Ebenezer		Chapel and Schoolroom
Lodge Farm, Netherton		Church Hall
Messiah, Netherton		Burial Ground
New Christ Church, Aston		Chapel, Manse
Newbridge		Chapel, School Hall, Manse
Newcastle-under-Lyme		Church
New Life, Kings Heath		Church, Manse and 2 houses
Newport		Church Building and site
Northfield		Church and halls, manse, Other land
Olton		Offices 85 Warwick Road
Oswestry	C	Church Building
Overslade		Church Hall
Peoples Chapel	**CST**	Church, Manse
Perry Beeches		Chapel
Providence		Chapel, and burial ground, Manse
Polesworth		Church, School Hall and burial ground
Pontesbury		Chapel and Burial Ground, Manse

Rugby	L	Chapel and School Halls
St Peter's Worcester		Church, Manse
Saltley		Chapel, Manse
Sandon Road, Stafford		Chapel and School Hall, 2 Houses
Selly Park		Chapel and School Hall, Manse (co-trustee)
Shrewsbury	C	Claremont site (C): Chapel Crowmoor site: Church
Small Heath	**CST**	Church and halls
Smethwick	**CST**	Church
Stechford		Chapel, Manse
Stoke Baptist Church		Church, Manse
Stratford Road	**CST**	Church and site
Tabernacle Wolverhampton		Chapel and School halls, car park, Manse
Tamworth		Chapel
Walsall, The Delves		Site, Chapel, Church Hall, Manse
Walsgrave		Chapel and School Hall, Manse
Warley		Chapel and School Halls and land adjoining, Manse
Wednesbury		Chapel, Manse
West Bromwich		Chapel, Manse
Westmancote Burial Ground		CC Order 2004. Co-Trustees with Official Custodian
Wolston	C	Chapel, Burial Ground
Word of Spirit and Life Church,		Church
Yardley		School Hall, Manse
Yardley Wood		Chapel, Manse

THE HEART OF ENGLAND BAPTIST ASSOCIATION

England & Wales - Charity number 1080529

Accounts

ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

The Heart of England Baptist Association
Registered Charity Number: 1080529 Registered Company Number: 00238738
Registered Office: 24 Weoley Park Road, Selly Oak, Birmingham B29 6QX

THE HEART OF ENGLAND BAPTIST ASSOCIATION

REPORT OF THE TRUSTEES

YEAR ENDED 31 DECEMBER 2020

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The Trustees, who are directors for the purposes of company law, are pleased to present the Annual Report and Financial Statements of the charitable company for the year ended 31 December 2020, which are prepared to meet the requirements for a director's report and accounts for Companies Act purposes. References to 'HEBA' throughout this report refer to the Heart of England Baptist Association.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Articles of Association and 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).'

Objectives and Activities

The objects of this charitable company are the advancement of the Christian faith, particularly in the Heart of England and especially by the means of and in accordance with the principles of the Baptist denomination as set out for the time being in the Declaration of Principle of The Baptist Union of Great Britain (BUGB).

The values espoused by the Trustees of the charitable company are Companionship, Generosity, Diversity, Learning and Innovation. These values are continually presented to churches for their encouragement and so that they understand the principles guiding the work of the charitable company. The values are presented at events to which churches are invited, through the regular mailings to churches, through the work of the HEBA office team and Regional Ministers and on the Trustees' social media outlets and channels.

The principal activities of the charitable company are the employment of a Regional Ministry and administrative staff team and the organisation of a number of volunteers, working in groups or individually, to offer support and guidance, training and financial resources to advance the Christian faith in a way which benefits Baptist churches and the communities they serve.

The charitable company aims to:

- Co-operate with churches directly and through working groups by passing appropriate resolutions to enable building development projects, including the provision of grants and loans, including Sustainable Energy Funding. Many of these projects are directly aimed at making church buildings more accessible and available to the local community.
- Assist churches and ministers that are seeking new ministries through the National Settlement process.
- Assist individuals who are exploring a call to any Baptist ministry by signposting various routes to recognised Baptist ministry, interviewing candidates, supporting ministerial candidates and providing BUGB approved training for preachers and pastors.
- Make Safeguarding training available on a rolling programme, encouraging and enabling ministers and members of churches to receive training.
- Provide Safeguarding support to churches when incidents/suspected incidents arise.
- Mediate disagreements arising within churches or between churches and their local community.
- Encourage the HEBA Grants Committee as it continues to seek creative ways of supporting churches in their mission using Baptist Home Mission and Association funds.
- Ensure, through its Finance Working Group, responsible and effective stewardship of the resources of the charitable company.
- Encourage churches to support Baptist Home Mission and BMS World Mission through prayer, direct partnership with mission personnel and financial gifts, so that the Gospel of Jesus Christ can continue to be shared in the UK and abroad.
- Co-operate with other Baptist organisations and other denominations where this supports the objects of the Association.
- Receive and consider reports from all Working Groups and the Regional Ministers, enabling the charitable company to maintain effective governance, including receiving reports on the staff appraisals, budget proposals, safeguarding issues and other work with churches as appropriate.
- Support the staff employed by the charitable company through the provision of appropriate training and support, and provision of clear and effective staffing and other policies.
- Seek appropriate and timely legal advice on issues having a potentially wide-ranging effect with a view to understanding and, where possible, mitigating their risk.
- Continue to explore ways in which the trustee board can become even more effective in governing the charitable company and in their strategic planning.

- Some of this work was partly or severely affected by the COVID 19 pandemic and subsequent national lockdowns. However, these conditions also provided an opportunity for a different way of staff working and holding meetings which will continue into the future.

Public Benefit

The Trustees, having regard to the Charity Commission's guidance document, 'public benefit: running a charity (PB2)', continued to provide public benefit by seeking to advance the Christian faith and practice in accordance with the Objects of the charitable company.

The Trustees sought to achieve this in several ways including:

- advising and supporting churches as they sought to manage the effects of the COVID 19 pandemic and lockdown so that members and visitors could be kept safe in churches.
- encouraging churches to adopt robust safeguarding policies and practice through the provision of training for church members, ministers and pastors.
- keeping appropriate safeguarding records, including documents kept in long-term secure systems.
- acting to provide help and support to churches seeking to improve their own governance, projects or buildings.
- holding staff accountable for their support for churches seeking to advance the Christian faith in their communities.
- funding - in partnership with other organisations - the continued provision of a Baptist minister for deaf and deafened people in Stafford.
- encouraging churches and ministers through the annual Ministers' Conference, theological reflection days, interaction with regional ministry staff and themes pursued at all joint events, to engage effectively and serve their local communities.
- updating their knowledge of spiritual abuse through reflection on recent research and a training day on this subject, for Trustees and safeguarding trainers.
- planning a Property Matters workshop for spring 2020 for churches to help them keep their properties healthy and in good order for all users (cancelled due to the coronavirus pandemic).

Achievements and Performance

The Trustees support their Regional Ministry team in their work through the provision of assistance in housing, in training and in permitting them to take sabbatical leave. One Regional Minister (RM), Revd Alison Mackay, indicated that she would be returning to church ministry early in 2021. The Trustees and remaining Regional Ministers reviewed the provision of Regional Ministry support and instigated a trial period of working with three RMs, to be reviewed in the last quarter of 2021.

The coronavirus pandemic and lockdowns meant that the Administration Team were instructed to work from their homes at the beginning of the first lockdown in March 2020, and this has continued into 2021. The Administration team have been able to continue to effectively serve the churches using email and telephone calls for the most part due to the Trustees' decision some years ago to move to online working and information storage supported by an IT consultant.

The Trustees bought an online meeting package to enable meetings for business, training, worship and support to be undertaken online by a range of staff members and Trustees. Events held in this manner included a Women's Conference, ministerial recognition interviews, theological reflection events and many more. Items of equipment were provided to enable staff members to work more effectively at home and a review of the health & safety of staff working from home was carried out. The Regional Ministers and Trustees supported churches by the production of devotional videos during the first lockdown which were made available to the churches and encouraged them to access support and resources from the Baptist Union as well as other Christian organisations. The Regional Ministers also recorded sermons on 'one-anothering' at the end of 2020, for release during 2021.

The Trustees were delighted to admit Cabin Lane Church in Oswestry into membership of the Association during the year.

The Trustees and staff team continued to support (with partners) the ministry of Revd Susan Myatt, Baptist Minister Amongst the Deaf, financially and through prayer. They also encouraged and contributed towards the production of a Safeguarding Training video with BSL translation for use during the pandemic and perhaps beyond.

The Regional Ministers (RMs) worked with churches and ministers as they sought new ministry or to change ministry meeting with churches and ministers online for most of the year. The encouragement and support of retired ministers and women ministers was taken over by volunteers from the churches to support the RMs.

A HEBA Justice Hub was successfully established during lockdown, with three task groups working to provide resources and encouragement to churches around issues of racial, gender and disability justice, plus a young people's task group.

The charitable company, through its Regional Ministers, continued to support ecumenical work across the whole area of the Association, as well as national Baptist events and organisations, for example, all RMs serve on ecumenical bodies in the region during the year.

The charitable company, through its Ministerial Recognition Group, interviewed 6 prospective ministers/pastors, authorising book grants to several ministerial students and had contact with 17 Newly Accredited Ministers and their Mentors. Three online Symposiums were organised for ministers to help them think through contemporary issues and support them in the continuing ministerial development.

The charitable company continued to model an organisational culture which prioritises safeguarding through their encouragement and support of churches to provide a safe and trusted environment for all those they come into contact with, particularly children, young people and Adults at Risk. This involved encouraging churches to use the filmed training made available by the Baptist Union and partnering in the creation of a BSL version of that resource. During 2020, the charitable company provided safeguarding training for 256 individuals before the coronavirus lockdown and another 32 later in the year, once online training materials were made available by the Baptist Union of Great Britain.

Revd Duncan MacLean served as trustee for Safeguarding during the year and all Trustees and safeguarding trainers attended a training day on Spiritual Abuse in February 2020. A Safeguarding Administrator, Mr Keith Baldwin, was appointed by the Trustees in March 2020 to replace Revd Sonia Jackson when she retired. Later in the year, the Trustees created a Safeguarding Officer post to assist the RMs with their safeguarding workload when their number reduced to three. Keith Baldwin was interviewed and appointed to this post in 2021.

The charitable company, through its Grants Committee provided grants to churches and projects to a value of £291,137 using both Baptist Home Mission and Association funds. This includes grants towards sabbatical studies for ministers in the Association.

The charitable company, through its Finance Group, ensured that all funds were being held and spent appropriately. They reviewed budgets, spending and investments and met with the Investment Managers.

The charitable company's book-keeping and account-production services to member churches continued, and at the end of the year had produced accounts for one church and was undertaking book-keeping for three churches. The Payroll Service offered to churches and projects also continued, and at the end of the year, payroll services were being undertaken for 61 churches/projects (113 individuals).

The charitable company, through its Trust Working Group (TWG), gave consideration and practical assistance to around 30 churches involved in: building purchase, disposal and development; changing their legal structure and amending their governing instruments. It continued to offer support to churches with dilapidated burial grounds. The transcription of the church trusts details into electronic form was not completed during 2020 due to lack of capacity.

The charitable company completed the following of its plans for the year:

- continuing to implement outcomes of the Board Review, including further use of the Governance Wheel to improve Board effectiveness and efficiency.

- agreeing strategic priorities and developing and implementing a strategic plan
- establishment of the HEBA Justice Hub with active task groups
- undertake more trustee training and/or study days for Trustees, including training towards a better understanding charity reports and accounts and training from ACAS.
- continuing to update the Staff Handbook

Risk Review

The charitable company continued to review its Risk Management Matrix at least three times a year. Significant risks identified during the year were:

- The possibility of incidents or accidents in dilapidated burial grounds where the charitable company is holding trustee remains an ongoing concern.
- Censure arising from a failure to properly implement the requirements of the General Data Protection Regulations has been identified as a risk to the charitable company. The charitable company sought legal assistance in producing a set of updated Data Protection and privacy documents and the Company Secretary continually reminds Trustees, staff and volunteers of their responsibilities in order to mitigate these risks.
- The risk of reputational damage to the Gospel, the charitable company and the Baptist movement arising from a safeguarding incident in a church remains high and is a driving factor behind the charitable company's investment in safeguarding training for church ministers and members.
- Disaster Recovery, staff turnover and the effects of homeworking were also viewed as presenting a high level of risk.
- A full COVID – 19 risk assessment was undertaken in the Association Office and steps continue to be taken to ensure that space is as safe as possible for those who need to visit to use equipment, check the post etc.

Financial Review

During 2020 the overall funds of the Association decreased by £160,728 to £3,236,247 (re stated £3,396,975 - 2019)

Unrestricted general fund income was £305,733. Expenditure totalled £427,077 resulting in a unrestricted general fund loss of £121,344. Net losses on investment assets totalled £191,102 reflecting the downward pressures in the financial markets during the year. The unrestricted general Fund at the year-end was £883,488.

The Net Movement on Unrestricted Designated Funds was £141,367 excess of income over expenditure. This was primarily due to the ongoing use of the Mission Development Fund for grants to church and other mission projects. At the year end the total balance of designated funds was £919,622.

Other income and expenditure in the Restricted Funds primarily relate to income and expenditure for the annual Ministers Conference and loan interest on the loans made from the restricted loan fund. Interest is not charged on loans, but churches will be asked to give a thank-offering at the end of the loan period to help maintain the real value of the fund. The net movement across the restricted funds was £10,351. At the year end the balances across the restricted funds was £1,433,137.

A prior year adjustment has been processed affecting restricted funds which removes funds held for the Cannon Street Trust where the charity is acting as the trustee only. Further detail is included in note 20.

The Association is part of a very complex multi-employer defined benefit pension scheme comprising approximately 1,200 employers. See Note 25 in the Financial Statements.

Investment powers, policy and performance

The Trustees have appointed Redmayne Bentley as Investment Managers for the Association's investment portfolio. The managers have discretionary powers to invest in line with the Investment Policy which is classed as medium risk and aims for moderate growth in income whilst at least maintaining capital values over the medium to long term.

Reflecting the ethos of the Association, an ethical investment policy is in place to guide the investment manager. This focuses on positive aspects such as good governance and good working practices as well as excluding sectors which do not fit with the Association's ethos.

During the year, the portfolio return (total return basis) increased by 7.02%, against the portfolio benchmark return, which increased by 7.66%.

The Association continued to maintain substantial balances on notice and term deposits. Most of these funds represent balances held on behalf of churches where minimal capital risk is important.

Reserves policy

The Trustees consider a reserve of one year's costs is required to ensure a managed exit from all existing agreements and contracts. One year's costs is the total general fund expenditure excluding one off events and including one year of grant funding from the Association's own resources (£0.195m), where grants are expected to be needed beyond the current year. This latter is to reflect commitments, often staff related, which have been entered into by grant receiving churches. On this basis reserves of £0.557m are required. Excluding fixed assets and restricted funds the Association's free reserves were £0.195m giving cover of 0.4 times. The reduction in cover of reserves required from 1.4 (2019) to 0.4 (2020) is the result of a reduction in the General Fund of £0.312m and the addition to fixed assets of £0.294m. The fixed asset of £0.294m is expected to be disposed of in 2021 which will increase cover to a ratio of approximately 1.0.

Plans for future periods

During 2021, the charitable company will seek to continue to fulfil its objects in creative ways that will assist in the advancement of the Christian faith and the enrichment of church and community life in the Heart of England.

This will include:

- locating a new office base for the Association.
- reviewing and implementing new working patterns with administrative staff depending on Government advice relating to the COVID-19 pandemic and the outcome of the review.
- Reviewing the workload of the Regional Ministers following the decrease in their number from four to three.
- completing the Review and adoption of updated Governing documents of the charitable company
- recruiting new Trustees
- continuing to implement outcomes of the Board Review, including further use of the Governance Wheel to improve Board effectiveness and efficiency.
- undertaking research to establish the resonance of the strategic priorities, values etc with the member churches.
- agreeing strategic priorities and developing and implementing a strategic plan
- encouraging the HEBA Justice Hub and task groups
- undertaking more trustee training and/or study days for Trustees

Structure, Governance, Management

The charitable company is governed by its Articles of Association and Rules of 16 June 2012. These have been reviewed by the Trustees and their legal advisors during 2020 and updated Articles will be presented to the members during 2021.

The Objects of this charitable company are the advancement of the Christian faith, particularly in the Heart of England and especially by the means of and in accordance with the principles of the Baptist denomination as set out for the time being in the Declaration of Principle of The Baptist Union of Great Britain.

Trustees' Interests

No trustee had any beneficial interest in the charitable company or in any contract or arrangement of a material nature with the charitable company during the year under review. Declarations of Loyalty and Interest are required at the start of every meeting of Trustees and Working Groups and the Association Administrator also asks Trustees to update their written Declarations of Loyalty and Interest on an annual basis.

Recruitment, appointment, induction and training of Trustees

The charitable company is run by its Board of Trustees who are also directors. They held eight meetings during 2020; these were online because of the coronavirus pandemic.

The Trustees use their Skills Audit in the process of recruiting new members of the board. Trustees are recruited through invitations to member churches to nominate people whom they believe to be appropriate for the task. Nominees are sent copies of the charitable company's Articles of Association and its Conflict of Loyalty and Interests policy and are asked to complete and sign the Declaration of Qualification to serve as a Trustee. They usually have a meeting with the Moderator of the Board of Trustees and are advised that appropriate checks will be undertaken to confirm that they are eligible to serve in this capacity. If, after this, they still wish to serve, the churches of the Association are invited to affirm the nominees by email or letter to the Company Secretary. On appointment, they are invited to a formal induction meeting with the Administrator/Company Secretary who signposts essential documents available from the Charity Commission, Companies House and BUGB websites, as well as providing an overview of the activities of the charitable company.

The Association Administrator who is also the Company Secretary assisted all Trustees by signposting documents and conferences to help them in their work. This includes circulating information from the Charity Commission, Companies House, some third sector organisations and the Churches' Legislation Advisory Service, and advising them of seminars and training that they could attend.

The Trustees continued to work through the Charity Governance Code with direction from a task group of Trustees who met several times and made presentations to the full board, including an action plan. Outcomes from this work include the adoption of a Code of Conduct for Trustees, Role Descriptions for HEBA trustee, Moderator and Treasurer. The Trustees also adopted a Delegation of Authority Policy with operational guidance. The Trustees continued to work on updating the Staff Handbook with support from Cornerstone Resources and the Baptist Union as appropriate. They ensured that staff members were able to discuss the policies as well.

Trustees at 31 December 2020

The Moderator and Treasurer are elected annually by the members of the Association.

Moderator	The Revd Duncan MacLean
Treasurer	Mr Eddy Rye
Regional Minister – Team Leader	The Revd Adrian Argile
The Revd Neil Bennett (Resigned 5 August 2021)	Affirmed by the members of the charitable company
The Revd Glenford Gordon	Affirmed by the members of the charitable company
Mrs Judith Miller	Affirmed by the members of the charitable company
The Revd Dr Edward Pillar	Affirmed by the members of the charitable company
Mrs Doreen Walker	Affirmed by the members of the charitable company

Appointed during the course of the year

Mrs Joanne Green (Appointed 23 April 2020)	Affirmed by the members of the charitable company

Related Parties

The charitable company is a member of the Baptist Union of Great Britain, paying a subscription to this charity. Funds from the Home Mission Fund, which is the principle working fund of the BUGB, are received by the charitable company and dispersed by its Grants Group.

The Registered Office of the charitable company is in property owned by BMS World Mission, and this occupation is based on a licence until 2022.

The charity has a linked charity, the Heart of England Baptist Association Loan Fund (1080529 -1) and the Trustees are also Trustees of the Umberslade Church Endowment (255061). The Charity is the corporate director and sole Trustee of the CST Corporate Trustee Limited (11454313), which has been set up to act as a trust corporation for the Cannon Street Trust.

Key Management personnel remuneration

The charitable company consider their key management personnel to be:
The charitable company's board of Trustees

The pay and remuneration of the employees of the charitable company is set by the charitable company through the Board and its Finance Group and is based upon the Baptist Home Mission recommended stipend.

Association Information

Registered Charity Number	1080529
Registered Company Number	00238738
Registered Office	24 Weoley Park Road, Selly Oak, Birmingham B29 6QX
Other Office Holders	
Company Secretary/Administrator	Miss Karen Martindale
Regional Ministers serving the Association during 2020	The Revd Adrian Argile The Revd David Ellis The Revd Alison Mackay The Revd Neil Le Tissier
Legal Advisors	DWF LLP, One Snowhill, Snow Hill Queensway, Birmingham B4 6GA
Surveyor/Valuer	Shaw Gilbert & Froggatt 4 Warstone Parade East, Warstone Lane, Birmingham B18 6N
Auditor	MHA MacIntyre Hudson, Rutlund House, 148 Edmund Street, Birmingham B3 2FD
Bankers	HSBC Bank plc, 186 Broadway, Didcot OX11 8RP
Stockbrokers/Investment Advisors	Redmayne-Bentley LLP, 9 Bond Court, Leeds LS1 2JZ

Assets held as Custodian Trustee on Behalf of Others

The directors of the charitable company continue to act as custodian trustee for churches, with both property and cash deposits being held in this capacity. A full list of the churches on whose behalf assets are held can be found in the financial statements and at the end of this document. Where assets for each church are held separately for each Church the assets are not included in the financial statements. Where assets for the Churches are held in aggregate in one single account, the assets are reflected in the financial statements as an asset and equal liability.

A prior year adjustment has been processed affecting restricted funds which removes funds held for the Cannon Street Trust where the charity is acting as the trustee only. Further detail is included in note 20.

Directors' responsibilities in relation to the financial statements

The Trustees (who are also directors of The Heart of England Baptist Association for the purposes of company law) 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).

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 and of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK 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 charitable company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They 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.

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- 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

This report was approved by the Board on ……21/09/.2021

Signed

Revd D MacLean
Moderator of the Association

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE HEART OF ENGLAND BAPTIST ASSOCIATION

Opinion

We have audited the financial statements of The Heart of England Baptist Association (the 'charitable company') for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, 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 2020 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 Auditors' 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 United Kingdom, including the Financial Reporting Council'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 AUDITORS' REPORT TO THE MEMBERS OF THE HEART OF ENGLAND BAPTIST ASSOCIATION (CONTINUED)

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' 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.

Opinion 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 for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' 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 Trustees' Report.

We have nothing to report in respect of the following matters in relation to which 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 Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE HEART OF ENGLAND BAPTIST ASSOCIATION (CONTINUED)

Responsibilities of Trustees

As explained more fully in the Trustees' Responsibilities Statement, 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.

Auditors' responsibilities for the audit of the financial statements

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

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

- Obtaining and understanding of the legal and regulatory frameworks that the charitable group operates in, focusing on those laws and regulations that have a direct effect on the financial statements;
- Enquiring of management and Trustees around known or suspected instances of non-compliance of laws and regulations and fraud;
- Discussing among the engagement team regarding how and where fraud might occur in the group financial statements and any potential indications of fraud;
- Reviewing minutes of meetings of those charged with governance; and
- Performing audit work in relation to the risk of management override, including testing of journal entries and other adjustments for appropriateness and reviewing accounting estimates for bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk
increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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 Auditors' Report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE HEART OF ENGLAND BAPTIST ASSOCIATION (CONTINUED)

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 Auditors' 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 charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Helen Blundell LLB FCA FCIE DChA (Senior Statutory Auditor)
for and on behalf of
MHA MacIntyre Hudson

Chartered Accountants
Statutory Auditors
Birmingham, United Kingdom

Date: 24 September 2021

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	*Total funds 2019 £*
Income from:					
Donations and legacies	4	**554,226**	**8,324**	**562,550**	*282,538*
Charitable activities	5	**44,928**	**-**	**44,928**	*54,266*
Investments	6	**118,140**	**8,441**	**126,581**	*148,906*
Other income	7	**19,433**	**-**	**19,433**	*16,741*
Total income		**736,727**	**16,765**	**753,492**	*502,451*
Expenditure on:					
Raising funds	8,9	**44,186**	**-**	**44,186**	*46,556*
Charitable activities	10	**672,518**	**6,414**	**678,932**	*817,218*
Total expenditure		**716,704**	**6,414**	**723,118**	*863,774*
Net (losses)/gains on investments	15	**(238,175)**	**-**	**(238,175)**	*311,719*
Net movement in funds before other recognised gains		**(218,152)**	**10,351**	**(207,801)**	*(49,604)*
Other recognised gains:					
Other gains	26	**47,073**	**-**	**47,073**	*2,111*
Net movement in funds		**(171,079)**	**10,351**	**(160,728)**	*(47,493)*
Reconciliation of funds:					
As restated Total funds brought forward		**1,974,189**	**1,422,786**	**3,396,975**	*3,444,468*
Net movement in funds		**(171,079)**	**10,351**	**(160,728)**	*(47,493)*
Total funds carried forward	21	**1,803,110**	**1,433,137**	**3,236,247**	*3,396,975*

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 17 to 41 form part of these financial statements.

BALANCE SHEET
AS AT 31 DECEMBER 2020

	Note		2020 £		As restated 2019 £
Fixed assets					
Tangible assets	14		**1,608,290**		*1,313,937*
Investments	15		**2,945,387**		*3,256,414*
			4,553,677		*4,570,351*
Current assets					
Debtors	16	**208,126**		*233,738*	
Investments	17	**301,678**		*211,250*	
Cash at bank and in hand	25	**352,167**		*764,827*	
		861,971		*1,209,815*	
Creditors: amounts falling due within one year	18	**(2,072,432)**		*(2,218,857)*	
Net current liabilities			**(1,210,461)**		*(1,009,042)*
Total assets less current liabilities			**3,343,216**		*3,561,309*
Creditors: amounts falling due after more than one year	19		**(4,000)**		*(4,000)*
Net assets excluding pension liability			**3,339,216**		*3,557,309*
Defined benefit pension scheme liability	26		**(102,969)**		*(160,334)*
Total net assets			**3,236,247**		*3,396,975*
Charity funds					
Restricted funds	21		**1,433,137**		*1,422,786*
Unrestricted funds	21		**1,803,110**		*1,974,189*
Total funds			**3,236,247**		*3,396,975*

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2020

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

.....
Revd D MacLean
Moderator of the Association

Date: 21/09/2021

The notes on pages 17 to 41 form part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020

	2020 £	*2019* *£*
Cash flows from operating activities		
Net cash used in operating activities	**(211,852)**	*(328,940)*
Cash flows from investing activities		
Dividends, interests and rents from investments	**126,581**	*148,906*
Purchase of tangible fixed assets	**(296,797)**	*(140,344)*
Proceeds from sale of investments	**175,307**	*308,167*
Purchase of investments	**(68,998)**	*(329,106)*
Net cash used in investing activities	**(63,907)**	**(12,377)**
Cash flows from financing activities		
Deficiency payments against pension liability	**(13,016)**	*(16,995)*
Net cash used in financing activities	**(13,016)**	**(16,995)**
Change in cash and cash equivalents in the year	**(288,775)**	**(358,312)**
Cash and cash equivalents at the beginning of the year	**1,057,489**	*1,415,801*
Cash and cash equivalents at the end of the year	**768,714**	*1,057,489*

The notes on pages 17 to 41 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. General information

The Heart of England Baptist Association is a private company (limited by guarantee) incorporated in England and is also a registered Charity in England and Wales. The registered office is BMS International Mission Centre, 24 Weoley Park Road, Selly Oak, Birmingham B29 6QX.

The principal activities of the charitable company are the employment of a Regional Ministry and administrative staff team and the involvement of a number of volunteers, working in groups or individually, to offer support and guidance, training and financial resources to advance the Christian faith in a way which benefits Baptist churches and the communities they serve.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Heart of England Baptist Association meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The financial statements are prepared in British Pound Sterling (£), which is the functional and presentational currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest £.

The charity has taken exemption from the requirement to prepare consolidated financial statements on the grounds that the subsidiary is immaterial to the group.

2.2 Company status

The Company is limited by guarantee. The members of the Company are the Trustees named on pages 7 and 8. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

2. Accounting policies (continued)

2.3 Going concern

The financial statements have been prepared on a going concern basis. The Trustees have considered relevant information, including the annual budget, forecast future cash flows and the impact of subsequent events in making their assessment. The COVID-19 pandemic and the ensuing economic shutdown has had a significant impact on the company's operations.

In response to the COVID-19 pandemic, the Trustees have performed a robust analysis of forecast future cash flows taking into account the potential impact on the business of possible future scenarios arising from the impact of COVID-19. This analysis also considers the effectiveness of available measures to assist in mitigating the impact.

Based on these assessments and having regard to the resources available to the entity, the Trustees have concluded that there is no material uncertainty and that they can continue to adopt the going concern basis in preparing the annual report and accounts.

2.4 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the Charity has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the Charity, can be reliably measured.

Donated services or facilities are recognised when the Charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the Charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102).

On receipt, donated professional services and facilities are recognised on the basis of the value of the gift to the Charity which is the amount it would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

2. Accounting policies (continued)

2.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Support costs are those costs incurred directly in support of expenditure on the objects of the company.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

All expenditure is inclusive of irrecoverable VAT.

2.6 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the bank.

2.7 Taxation

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

2.8 Tangible fixed assets and depreciation

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

At each reporting date the Company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined to be the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

2. Accounting policies (continued)

2.8 Tangible fixed assets and depreciation (continued)

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

Depreciation is provided on the following basis:

Freehold property	-	2%	straight line*
Fixtures and fittings	-	15%	straight line
Computer equipment	-	33%	straight line

* No depreciation charge in the accounts for freehold property due to the Residual Value being >/= costs.

No depreciation is charged on the freehold land.

2.9 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of Financial Activities.

2.10 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid.

Loans to churches are concessionary loans made in furtherance of the charity's purposes. Loans are recognised at cost as adjusted for any repayments made less impairment.

2.11 Cash at bank and in hand

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

2.12 Liabilities and Provisions

Liabilities and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of Financial Activities as a finance cost.

2. Accounting policies (continued)

2.13 Financial instruments

The Charity only has financial assets and financial 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.

2.14 Operating leases

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

2.15 Pensions

The Charity participates in a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the charity pays fixed contributions into a separate entity. Once the contributions have been paid the charity has no further payment obligations. The contributions are recognised as an expenditure 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 charity in an independently administered fund.

Prior to 2012, the pension provision was made through two multi-employer defined benefit pension plans. Where it is not possible for the Charity to obtain sufficient information to enable it to account for a plan as a defined benefit plan, it accounts for the plan as a defined contribution plan. Where the plan is in deficit and where the charity has agreed, with the plan, to participate in a deficit funding arrangement, the charity recognised a liability for this obligation. The amount recognised is the net present value of the contributions payable under the agreement that relate to the deficit. This amount is expensed in the Statement of Financial Activities. The unwinding of the discount is recognised as a finance cost. A liability for the agreed pension scheme deficit plan of the Baptist Union Staff Pension Scheme has been included, in accordance with the Schedule of Contributions dated 31 March 2015 in the comparatives but has been settled in full in the previous year (see note 25). A liability for the agreed pension scheme deficit plan of the Baptist Pension Scheme has been included, in accordance with the Schedule of Contributions dated 4 April 2015.

2.16 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

3. Critical accounting estimates and areas of judgement

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.

Judgements in applying the entity's accounting policies:

Multi-employer defined benefit pension schemes - certain employees participate in multi-employer defined benefit pension schemes with other organisations. In the judgement of the Trustees, the Charity does not have sufficient information on the plan assets and liabilities to be able to reliably account for its share of the defined benefit obligation and plan assets. Therefore the schemes are accounted for as defined contribution schemes.

Critical accounting estimates and assumptions:

Multi-employer defined benefit pension scheme - the Charity has an obligation to pay a deficit funding arrangement in respect of two-multi employer defined benefit pension schemes (Baptist Pension Scheme and Baptist Union Staff Pension Scheme). The present value of the obligation depends on a number of factors including the RPI rate and the discount rate on corporate bonds. Management estimates these factors in determining the new pension obligation in the Balance Sheet.

Useful economic lives and residual values of tangible assets - the annual depreciation charge of tangible assets is sensitive to changes in the estimated useful economic lives and the 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 economic utilisation, physical condition and future investments of assets.

4. Income from donations and legacies

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Donations			
Donations	3,900	-	**3,900**
Donated assets	294,000	-	**294,000**
Subtotal detailed disclosure	297,900	-	**297,900**
Home Mission Fund Grant	119,332	-	**119,332**
Home Mission Grant for mission	136,994	-	**136,994**
Flood appeal grants	-	8,324	**8,324**
Subtotal	256,326	8,324	**264,650**
Total 2020	554,226	8,324	**562,550**

4. Income from donations and legacies (continued)

	Unrestricted funds 2019	*Total funds 2019*
	£	*£*
Home Mission Fund Grant	*133,323*	*133,323*
Home Mission Grant for mission	*149,215*	*149,215*
Total 2019	*282,538*	*282,538*

5. Income from charitable activities

	Unrestricted funds 2020	**Total funds 2020**
	£	**£**
Ministers' Conference	11,616	**11,616**
Other activities	33,312	**33,312**
Total 2020	44,928	**44,928**

	Unrestricted funds 2019	*Total funds 2019*
	£	*£*
Ministers' Conference	*11,883*	*11,883*
Other activities	*42,383*	*42,383*
Total 2019	*54,266*	*54,266*

6. Investment income

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Retired Minister Housing Income	1,300	7,901	**9,201**
Dividends and bond interest	115,904	-	**115,904**
Interest on loans	936	540	**1,476**
Total 2020	118,140	8,441	**126,581**

	Unrestricted funds 2019 £	*Restricted funds 2019 £*	*Total funds 2019 £*
Retired Minister Housing Income	*600*	*4,968*	*5,568*
Dividends and bond interest	*140,660*	*-*	*140,660*
Interest on loans	*1,323*	*1,355*	*2,678*
Total 2019	*142,583*	*6,323*	*148,906*

7. Other incoming resources

	Unrestricted funds 2020 £	Total funds 2020 £
Payroll service	18,774	**18,774**
Other activities	659	**659**
Total 2020	19,433	**19,433**

7. Other incoming resources (continued)

	Unrestricted funds 2019 £	*Total funds 2019 £*
Payroll service	*13,215*	*13,215*
Other activities	*3,526*	*3,526*
Total 2019	*16,741*	*16,741*

8. Expenditure on raising funds

	Unrestricted funds 2020 £	**Total funds 2020 £**
Foreign exchange loss on investments	6,106	**6,106**
Payroll scheme expenses	10,915	**10,915**
Interest on funds held for churches	8,852	**8,852**
Total 2020	25,873	**25,873**

	Unrestricted funds 2019 £	*Total funds 2019 £*
Payroll scheme expenses	*13,322*	*13,322*
Interest on funds held for churches	*14,556*	*14,556*
Total 2019	*27,878*	*27,878*

9. Investment management costs

	Unrestricted funds 2020 £	Total funds 2020 £
Investment management fees	18,313	**18,313**

	Unrestricted funds 2019 £	*Total funds 2019 £*
Investment management fees	*18,678*	*18,678*

10. Analysis of expenditure by activities

	Activities undertaken directly 2020 £	Grant funding of activities 2020 £	Support costs 2020 £	Total funds 2020 £
Regional Ministry Team	185,892	-	150	**186,042**
Grants	-	291,137	-	**291,137**
Subscriptions	7,704	-	-	**7,704**
Minister's Conference	11,706	-	840	**12,546**
Association Activities	4,414	-	177,089	**181,503**
Total 2020	209,716	291,137	178,079	**678,932**

10. Analysis of expenditure by activities (continued)

	Activities undertaken directly 2019 £	*Grant funding of activities 2019 £*	*Support costs 2019 £*	*Total funds 2019 £*
Regional Ministry Team	*194,547*	*-*	*117,984*	*312,531*
Grants	*-*	*328,440*	*23,835*	*352,275*
Subscriptions	*10,004*	*-*	*7,246*	*17,250*
Minister's Conference	*15,365*	*-*	*6,778*	*22,143*
Association Activities	*2,836*	*-*	*110,183*	*113,019*
Total 2019	*222,752*	*328,440*	*266,026*	*817,218*

Analysis of direct costs

	Regional Ministry Team 2020 £	**Subcriptions 2020 £**	**Minister's Conference 2020 £**	**Association Activities 2020 £**	**Total funds 2020 £**
Staff costs	152,820	-	-	-	**152,820**
Minister's conference	-	-	11,706	-	**11,706**
Regional Ministry Team	30,348	-	-	-	**30,348**
Subscriptions	-	7,704	-	-	**7,704**
Association activities	-	-	-	4,414	**4,414**
Finance cost (pension deficit)	2,724	-	-	-	**2,724**
Total 2020	185,892	7,704	11,706	4,414	**209,716**

10. Analysis of expenditure by activities (continued)

Analysis of direct costs (continued)

	Regional Ministry Team 2019 £	*Subscriptions 2019* £	*Minister's Conference 2019* £	*Association Activities 2019* £	*Total funds 2019* £
Staff costs	*144,619*	-	-	-	*144,619*
Minister's conference	-	-	*15,365*	-	*15,365*
Regional Ministry Team	*45,957*	-	-	-	*45,957*
Subscriptions	-	*10,004*	-	-	*10,004*
Association activities	-	-	-	*2,836*	*2,836*
Finance cost (pension deficit)	*3,971*	-	-	-	*3,971*
Total 2019	*194,547*	*10,004*	*15,365*	*2,836*	*222,752*

Analysis of support costs

	Total funds 2020 £	*Total funds 2019* £
Staff costs	**107,802**	*105,062*
Depreciation	**2,444**	*2,332*
Regional Ministry Team	**150**	-
Payroll scheme expenses	**1,170**	*877*
Premises costs and administration	**27,873**	*64,138*
Other staff costs including training	**3,787**	*6,853*
Property	**12,109**	*2,374*
Working groups	**1,186**	*1,482*
IT	**4,831**	*5,932*
Board expenses	**1,380**	*2,503*
Legal and professional	**4,589**	*11,685*
Other	**4,580**	*8,858*
Audit and accountancy fees	**6,178**	*11,430*
Loss on disposal of fixed asset held for sale	**-**	*42,500*
Total 2020	**178,079**	*266,026*

11. Auditors' remuneration

The auditors' remuneration amounts to an auditor fee of £10,200 *(2019: £7,074)*, and non audit services of £1,808 (*2019*: *£1,200*).

12. Staff costs

	2020	*2019*
	£	*£*
Wages and salaries	**216,386**	*211,992*
Social security costs	**18,637**	*13,426*
Pension costs (note 25)	**25,599**	*24,263*
	260,622	*249,681*

The average number of persons employed by the Charity during the year was as follows:

	2020	*2019*
	No.	*No.*
	9	*9*

No employee received remuneration amounting to more than £60,000 in either year.

During the year the Rev A Argile, a Trustee of the charitable company, received remuneration for his role as Regional Minister Team Leader and travel expenses in connection with that role. He was not remunerated for Trustee duties. The cost to the Charity of the remuneration (gross pay plus employer's national insurance and pension) was £44,183 (2019: £44,601) and expenses were £3,263. (2019: £5,754).

Key management personnel of the Charity are considered to be the Trustees. No other Trustee receives any remuneration.

13. Trustees' remuneration and expenses

During the year, no Trusteees received any remuneration or other benefits (2019: £Nil), except as disclosed above.

During the year ended 31 December 2020, expenses totalling £1,380 were reimbursed or paid directly to 7 Trustees (2019: £2,503 *to 7 Trustees)*.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

14. Tangible fixed assets

	Freehold property £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation				
At 1 January 2020	**1,305,876**	**34,152**	**8,071**	**1,348,099**
Additions	**294,000**	**-**	**2,797**	**296,797**
At 31 December 2020	**1,599,876**	**34,152**	**10,868**	**1,644,896**
Depreciation				
At 1 January 2020	**-**	**27,126**	**7,036**	**34,162**
Charge for the year	**-**	**1,480**	**964**	**2,444**
At 31 December 2020	**-**	**28,606**	**8,000**	**36,606**
Net book value				
At 31 December 2020	**1,599,876**	**5,546**	**2,868**	**1,608,290**
At 31 December 2019	*1,305,876*	*7,026*	*1,035*	*1,313,937*

15. Fixed asset investments

	Listed investments £	Other fixed asset investments £	Total £
Cost or valuation			
At 1 January 2020	**3,175,002**	**81,412**	**3,256,414**
Additions	**68,998**	**-**	**68,998**
Disposals	**(175,306)**	**-**	**(175,306)**
Revaluations	**(238,176)**	**-**	**(238,176)**
Amounts written off	**-**	**27,352**	**27,352**
Foreign exchange movement	**-**	**6,105**	**6,105**
At 31 December 2020	**2,830,518**	**114,869**	**2,945,387**
Net book value			
At 31 December 2020	**2,830,518**	**114,869**	**2,945,387**
At 31 December 2019	*3,175,002*	*81,412*	*3,256,414*

All fixed asset investments are held in the UK.

Subsidiary undertaking
The CST Corporate Trustee Limited (Company number 11454313), a Company limited by guarantee, is a subsidiary by virtue of the Charity being the sole member.

Its sole purpose is to act as a corporate Trustee in respect of the assets of the Cannon Street Trust.

The subsidiary is not material to the group and has therefore not been included in the financial statements.

16. Debtors

	2020 £	*2019 £*
Trade debtors	**1,418**	*240*
Other debtors	**193,558**	*214,228*
Prepayments and accrued income	**13,150**	*19,270*
	208,126	*233,738*

16. Debtors (continued)

Included within other debtors are loans to churches of £193,558 (2019: £214,228) which are generally expected to be received after one year.

17. Current asset investments

	2020 £	2019 £
Deposits held on behalf of churches	**301,678**	*211,250*

18. Creditors: Amounts falling due within one year

	2020 £	As restated 2019 £
Trade creditors	**(2,671)**	*(2,671)*
Other taxation and social security	**7,305**	*5,389*
Other creditors	**2,023,568**	*2,168,726*
Accruals and deferred income	**44,230**	*47,413*
	2,072,432	*2,218,857*

Included within other creditors is an amount of £2,023,568 (2019: £2,168,726) held on behalf of certain churches and the Cannon Street Trust. The churches are required to give due notice before withdrawal of these amounts.

19. Creditors: Amounts falling due after more than one year

	2020 £	2019 £
Other creditors	**4,000**	*4,000*

Other creditors represents a contribution to Retired Housing which is an equity contribution by the tenants which is repayable on the sale of the property at Clee View, Bridgnorth.

20. Prior year adjustments

The Cannon Street Baptist Chapel Trust is governed by a trust deed of 1877 and subsequent Charity Commission schemes. HEBA has acted as trustee of the Trust and its assets which must be applied in accordance with the terms of the Trust. The majority of the assets of the trust are properties but as some properties have been disposed over the years there is also an element of cash funds. Historically the cash funds have been recognised in the financial statements of HEBA as a restricted fund, restricted to the purposes of the Cannon Street Trust. HEBA is currently in the process of transferring the trusteeship of the Cannon Street Trust to the CST Corporate Trustee Limited (a subsidiary of HEBA) and in doing so it has been identified that the cash funds should not form part of the funds of HEBA.

As a consequence, a prior year adjustment has been made to remove the restricted funds of £462,375 from HEBA's financial statements and to recognise the cash funds held by HEBA as a liability owing to the Trust (similar to the position where HEBA holds monies on behalf of churches in the region. This adjustment has no impact on the statement of financial activities for either year other than to restate the funds brought forward.

21. Statement of funds

Statement of funds - current year

	As restated Balance at 1 January 2020 £	Income £	Expenditure £	Transfers in/(out) £	Gains/ (Losses) £	Balance at 31 December 2020 £
Designated funds						
Church Resources Fund	**44,734**	**-**	**-**	**-**	**-**	**44,734**
Minister's Resources Fund	**38,205**	**-**	**-**	**-**	**-**	**38,205**
Regional Ministry Fund	**186,738**	**-**	**(150)**	**-**	**-**	**186,588**
Mission Development	**351,762**	**294,000**	**(112,047)**	**(40,436)**	**-**	**493,279**
Monkspath Fund	**90,387**	**-**	**-**	**-**	**-**	**90,387**
Mission Grant Funds	**-**	**136,994**	**(177,430)**	**40,436**	**-**	**-**
Pension reserve	**66,429**	**-**	**-**	**-**	**-**	**66,429**
	778,255	**430,994**	**(289,627)**	**-**	**-**	**919,622**
General funds						
General Funds	**1,195,934**	**305,733**	**(427,077)**	**-**	**(191,102)**	**883,488**
Total Unrestricted funds	**1,974,189**	**736,727**	**(716,704)**	**-**	**(191,102)**	**1,803,110**
Restricted funds						
Atch Lench Baptist Trust	**28,443**	**-**	**-**	**-**	**-**	**28,443**
Heart of England Loan Fund	**850,863**	**-**	**-**	**-**	**-**	**850,863**
Helen Youth Fund	**1,581**	**-**	**-**	**-**	**-**	**1,581**
Retired Ministers & Missionaries Housing Fund	**528,154**	**7,901**	**(3,357)**	**-**	**-**	**532,698**
Westmancote Baptist Trust	**12,390**	**-**	**-**	**-**	**-**	**12,390**
Benevolent Fund	**1,355**	**540**	**(1,057)**	**-**	**-**	**838**
Flood Fund	**-**	**8,324**	**(2,000)**	**-**	**-**	**6,324**
	1,422,786	**16,765**	**(6,414)**	**-**	**-**	**1,433,137**
Total of funds	**3,396,975**	**753,492**	**(723,118)**	**-**	**(191,102)**	**3,236,247**

21. Statement of funds (continued)

Statement of funds - prior year

	As restated Balance at 1 January 2019 £	*Income* £	*Expenditure* £	*Transfers in/(out)* £	*Gains/ (Losses)* £	*As restated Balance at 31 December 2019* £
Designated funds						
Church Resources Fund	*48,735*	-	*(4,001)*	-	-	*44,734*
Minister's Resources Fund	*88,205*	-	-	*(50,000)*	-	*38,205*
Regional Ministry Fund	*186,738*	-	-	-	-	*186,738*
Mission Development	*438,700*	-	*(136,938)*	*50,000*	-	*351,762*
Monkspath Fund	*90,387*	-	-	-	-	*90,387*
Mission Grant Funds	-	*149,215*	*(180,056)*	*30,841*	-	-
Pension reserve	*66,429*	-	-	-	-	*66,429*
	919,194	149,215	(320,995)	*30,841*	-	*778,255*
General funds						
General Funds	*1,100,885*	*350,558*	*(538,498)*	*(30,841)*	*313,830*	*1,195,934*
Total Unrestricted funds	2,020,079	499,773	(859,493)	-	*313,830*	*1,974,189*
Restricted funds						
Atch Lench Baptist Trust	*28,443*	-	-	-	-	*28,443*
Heart of England Loan Fund	*850,863*	-	-	-	-	*850,863*
Helen Youth Fund	*3,581*	-	*(2,000)*	-	-	*1,581*
Retired Ministers & Missionaries Housing Fund	*529,112*	*1,323*	*(2,281)*	-	-	*528,154*
Westmancote Baptist Trust	*12,390*	-	-	-	-	*12,390*
Benevolent Fund	-	*1,355*	-	-	-	*1,355*
	1,424,389	2,678	(4,281)	-	-	*1,422,786*
Total of funds	*3,444,468*	*502,451*	*(863,774)*	-	*313,830*	*3,396,975*

22. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	1,091,687	516,603	**1,608,290**
Fixed asset investments	863,256	2,082,131	**2,945,387**
Current assets	-	861,971	**861,971**
Creditors due within one year	(48,864)	(2,023,568)	**(2,072,432)**
Creditors due in more than one year	-	(4,000)	**(4,000)**
Provisions for liabilities and charges	(102,969)	-	**(102,969)**
Total	1,803,110	1,433,137	**3,236,247**

Analysis of net assets between funds - prior period

	As restated Unrestricted funds 2019 £	*As restated Restricted funds 2019 £*	*As restated Total funds 2019 £*
Tangible fixed assets	793,183	520,754	*1,313,937*
Fixed asset investments	1,391,471	1,864,943	*3,256,414*
Current assets	-	1,209,815	*1,209,815*
Creditors due within one year	(50,131)	(2,168,726)	*(2,218,857)*
Creditors due in more than one year	-	(4,000)	*(4,000)*
Provisions for liabilities and charges	(160,334)	-	*(160,334)*
Total	1,974,189	1,422,786	*3,396,975*

23. Reconciliation of net movement in funds to net cash flow from operating activities

	2020 £	2019 £
Net income for the period (as per Statement of Financial Activities)	**(207,801)**	(49,604)
Adjustments for:		
Depreciation charges	**2,444**	*2,332*
Gains/(losses) on investments	**238,175**	*(311,719)*
Dividends, interests and rents from investments	**(126,581)**	*(48,906)*
Decrease in debtors	**25,612**	*201,666*
Decrease in creditors	**(146,425)**	*(26,680)*
Defined benefit scheme finance cost adjustment	**2,724**	*3,971*
Net cash provided by/(used in) operating activities	**(211,852)**	(328,940)

24. Analysis of cash and cash equivalents

	2020 £	2019 £
Cash in hand	**300,276**	*249,254*
Notice deposits (less than 3 months)	**468,438**	*808,235*
Total cash and cash equivalents	**768,714**	*1,057,489*

25. Analysis of changes in net debt

	At 1 January 2020 £	Cash flows £	At 31 December 2020 £
Cash at bank and in hand	**764,827**	**(412,660)**	**352,167**
Liquid investments	**292,662**	**123,885**	**416,547**
	1,057,489	**(288,775)**	**768,714**

26. Pension commitments

The Heart of England Baptist Association is an employer participating in the Baptist Pension Scheme("the BPS"), and prior to the current and previous year-end was also participating in the Baptist Union Staff Pension Scheme ("the BUSPS"). The BPS is a separate legal entity administered by the Pension Trustee (Baptist Pension Trust Limited). The BUSPS has now wound up but was also a separate legal entity administered by the Pension Trustee.

From January 2012, the pension provision for the Ministers has been made 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. In addition, the employer pays a further 4% of Pensionable Income (or 3% if the employer is in the segregated DC section) 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 Aviva. Members of the Basic Section of BPS pay reduced contributions of 5% of Pensionable Income, and their employers also pay a total of 5%.

Benefits in respect of service prior to 1 January 2012 are provided through the Defined Benefit (DB) Plan within the BPS, or through the BUSPS prior to its wind-up. The main benefits were:
- In the BPS, a defined benefit pension of one eightieth of Final Minimum Pensionable Income for each year of Pensionable Service, together with additional pension in respect of premiums paid on Pensionable Income in excess of Minimum Pensionable Income; and
- In the BUSPS, a pension of one seventieth of a member's average salary over the last three years of pensionable service.

The BPS, previously known as the Baptist Ministers' Pension Fund, started in 1925, and the BUSPS started in 1969. Both schemes were closed to future accrual of defined benefits on 31 December 2011. The BUSPS completed winding-up on 18 September 2019.

The table below summarises the main results of the most recent actuarial valuations of the BUSPS and the Defined Benefit (DB) Plan in the BPS. These valuations were performed by a professionally qualified Actuary using the Projected Unit Method:

	BPS DB Plan	**BUSPS**
Date of valuation	31 December 2019	1 January 2017
Date of next valuation	31 December 2022	N/A scheme is in wind-up
Market value of scheme assets (A)	£298m	£10.3m
Technical provisions (B)	£316m	£16.2m
Deficit [(B) - (A)]	£18m	£5.9m
Funding level [(A) / (B)]	94%	64%

As a result of the valuations, in addition to the contributions to the DC Plan set out above, the following deficiency contributions were agreed:

For the BPS, the standard rate of deficiency contributions payable remains at previously agreed levels, increasing each year in line with increases in the Minimum Pensionable Income. The deficiency contributions are broadly based on 12% of Pensionable Income/Minimum Pensionable Income, reflecting each employer's contributions in March 2015. Some employers that were involved in the DB Plan for a short period pay lower contributions. The Trustee and the Council agreed a 50% reduction for all deficiency contributions payable between 1 July 2020 to 31 December 2020. In addition, the Baptist Union of Great Britain agreed to contribute a lump sum of £0.5m by 31 December 2020. The current Recovery Plan dated 30 September 2020 envisages deficiency contributions continuing until 30 June 2026.

26. Pension commitments (continued)

Section 28.11A of FRS 102 requires agreed deficit recovery payments on BPS to be recognised as a liability. The movement in the provision is set out in the table below:

	2020	*2019*
	£	*£*
Balance sheet liability at year start	**160,334**	*173,922*
Minus deficiency contributions paid	**(13,016)**	*(16,995)*
Interest cost (recognised in SoFA)	**2,724**	*3,971*
Remaining change to balance sheet liability* (recognised in SoFA)	**(47,073)**	*(564)*
Balance sheet liability at year end	**102,969**	*160*,334

* Comprises any change in agreed deficit recovery plan and change in assumptions between year-ends.

For the BUSPS, previously agreed contributions of £759,000 pa (payable from 1 January 2016 and increasing each January in line with RPI inflation) were due until 31 January 2018. Following this, a lump sum payment of £2,734,062 was paid in February 2018 and further contributions were made to ensure the Scheme had sufficient assets to secure the BUSPS benefits in full with an insurer. The total contributions were split between the sponsoring employers in line with their estimated share of the BUSPS's liabilities. These significant contributions were part of a plan to wind up the BUSPS. The Scheme formally triggered wind-up on 31 August 2018, and wind-up was completed in September 2019. As part of this, the benefits for BUSPS members who are also active members of the BPS were increased to offset the fact that their BUSPS benefits will no longer increase in future in line with changes in their salary. An additional contribution was also been made to the DC Plan within the BPS for members who are yet to retire and have a BPS DC fund. In practice the Association paid money to BUGB in 2018 which was intended to cover all of the Association's outstanding commitments to the BUSPS, and a portion of this money (to the extent it was not required to secure the benefits in full and cover outstanding costs) was returned to the Association by BUGB in 2019.

26. Pension commitments (continued)

The key financial assumptions underlying the valuations were as follows:

Type of assumption	**BPS % pa**	**BUSPS % pa**
RPI price inflation assumption	3.20	3.45
CPI price inflation assumption	2.70	2.70
Minimum Pensionable Income Increases (BPS only)	3.20	N/A
Pensionable Salary increase (BUSPS only)	N/A	3.70
Assumed investment returns		
- Pre-retirement	2.95	3.50
- Post retirement	1.70	2.25
Deferred pension increases		
- Pre April 2009	3.20	3.45
- Post April 2009	2.50	2.50
Pension increases		
- Pre April 2006	2.70	3.25
- Post April 2006	2.80	2.15

As there are numbers of contributing employers participating in both the BPS and the BUSPS, the Charity is unable to identify its share of the underlying assets and liabilities of the schemes. Accordingly, the profit and loss charge for the period represents the employer contributions payable. The total pension cost for the Charity in the year were £25,599 (2019: £24,263) for the BPS.

27. Operating lease commitments

At 31 December 2020 the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	*2019 £*
Not later than 1 year	**25,110**	*26,083*
Later than 1 year and not later than 5 years	**1,113**	*27,041*
	26,223	*53,124*

28. Related party transactions

The charity is a member of the Baptist Union of Great Britain and is in receipt of grants from the Home Mission Fund which is for of the Baptist Union. Grants of £259,480 (2019: £282,538) were received in this respect.

Trustees of the Charity are drawn from the membership of the local Baptist Churches and there are therefore, from time to time, grant awards made to benefit either the individual or the church. There is a formal process in relation to grant applications which helps to ensure that any conflict of interest is mitigated by the exclusion of the conflicted individual in the decision making process.

During the previous year a laptop was sold to Tim Fergusson at its residual value of £67.

The CST Corporate Trustee Limited
The CST Corporate Trustee Limited is a trust corporation constituted as a company limited by guarantee of which HEBA is the sole member and director.

Umberslade Endowment Charity
The Trustees of HEBA are also Trustees of the above named Charity which is registered with the Charity Commission. There are no transactions between the two entities but HEBA oversees the activity of the Charity.

The Cannon Street Baptist Chapel Trust
HEBA is in the process of transferring the trusteeship of the Cannon Street Trust to The CST Corporate Trustee Limited.

The following church buildings, all within Birmingham, except Smethwick, are owned by the Cannon Street Trust. The buildings are occupied by the churches on the equivalent of fully insuring and repairing leases at a peppercorn rent. The 'leases' expire when the churches no longer require the property.

Birmingham Central Baptist Church
Cannon Street Memorial Church
Castle Bromwich Baptist Church and Manse
Church of the Redeemer
City Road Baptist Church
People's Chapel
Small Heath Baptist Church
Smethwick Baptist Church
Stratford Road Baptist Church

29. Controlling party

The Charity is ultimately controlled by the Board of Trustees.

30. Company limited by guarantee

The Charity is a Company limited by guarantee and does not have share capital.

Appendix 1 – Grants paid during the year

	Unrestricted	Designated from Mission Grant	Designated	Restricted	2020 Total	2019 Total
Grants to Churches						
Alvechurch BC	-	-	-	-	-	1,000
Baddeley Edge	-	8,100	-	-	8,100	8,794
Bewdley	-	-	-	-	-	500
Boymeadow re Flood fund	-	-	-	1,500	1,500	-
Bromsgrove	-	-	4,167	-	4,167	6,667
Cannon St Memorial BC	-	-	-	-	-	1,000
Chelmsley Wood	-	4,800	-	-	4,800	5,863
Cornerstone, Oswestry	-	6,480	-	-	6,480	6,332
Darkhouse	-	6,000	-	-	6,000	-
Dawley	-	8,769	-	-	8,769	8,567
Delves, Walsall	-	3,000	-	-	3,000	5,863
Droitwich Spa	-	-	-	-	-	2,736
Emmaus	-	-	-	-	-	4,690
Ewyas Harold	-	6,264	-	-	6,264	6,120
Foleshill, Coventry	-	-	-	-	-	4,167
Gateway to Hope	-	6,000	-	-	6,000	5,276
George Road Community Church	-	7,500	-	-	7,500	5,863
Glebe Farm	-	-	9,583	-	9,583	10,802
Green Lane, Walsall	-	12,000	2,917	-	14,917	9,575
Keele University LEP	-	6,000	-	-	6,000	4,750
Kings Community Church	-	-	4,000	-	4,000	6,000

Appendix 1 – Grants paid during the year

	Unrestricted	Designated from Mission Grant	Designated	Restricted	2020 Total	2019 Total
Lentons Lane, Coventry	-	-	-	-	-	5,862
Limbrick Wood, Coventry	-	10,800	-	-	10,800	10,552
Londonderry	-	9,000	-	-	9,000	10,966
Madeley	-	8,400	-	-	8,400	8,208
New Hope	-	-	3,000	-	3,000	-
Newport	-	9,600	-	-	9,600	10,552
Rising Brook re Pioneer Grant	-	17,917	2,500	-	20,417	-
Rising Brook re Ministry among the Deaf	-	24,000	-	-	24,000	32,283
Sandon Road	-	-	4,666	-	4,666	7,000
Shrewsbury BC	-	-	-	-	-	3,000
Six Ways	-	-	6,372	-	6,372	6,084
Six Ways re Castle Vale Project	-	12,000	-	-	12,000	11,725
Smethwick re BCUIM	-	9,600	-	-	9,600	8,983
South Street	-	10,200	2,478	-	12,678	26,061
Stafford, The Green	-	-	-	-	-	4,690
Stoke	-	6,000	6,900	-	12,900	13,863
Upton BC re Flood fund	-	-	-	500	500	4,000
Warley	-	-	5,500	-	5,500	9,000
Wade Street	-	-	-	-	-	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

Appendix 1 – Grants paid during the year

1,600

	Unrestricted	Designated from Mission Grant	Designated	Restricted	2020 Total	2019 Total
Wednesbury	-	6,000	-	-	6,000	5,863
Wolston	-	3,000	-	-	3,000	3,000
Yardley Wood	-	-	-	-	-	-
Other Grants (below £1,000)	-	-	-	-	-	500
Grants to Individuals						
Helen Youth Fund	-	-	-	-	-	2,000
Ministers in training	-	-	-	-	-	4,945
Rev'd N.Bennett	500	-	-	-	500	-
		-	-			
Grants to Organisations						
Churches Ind Group Bham	-	-	1,000	-	1,000	1,000
Faith at Work in Worcs	-	-	4,750	-	4,750	6,000
Kidderminster BC	-	-	500	-	500	-
Urban Expression	-	-	7,450	-	7,450	11,250
West Mids FE Chaplaincy	-	-	4,555	-	4,555	4,555
Workcare	-	-	7,000	-	7,000	-
Shropshire Hope	-	-	-	-	-	250
Telford Christian Council	-	-	8,000	-	8,000	2,000
Heart of England Revival	-	-	-	-	-	1,000

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

Appendix 1 – Grants paid during the year

Regents Park College -Sam Sharpe	-	-	-	-	-	2,500
Keele University Manse 21	-	-	-	-	-	1,300
Ministry among Deaf Exps	1,429	-	-	-	1,429	3,283
HEBA Women Minister's Day	-	-	440	-	440	-
Total	**1,929**	**201,430**	**85,778**	**2,000**	**291,137**	**328,440**

Appendix 2

Properties Held as Custodian or Holding Trustee on behalf of Others at 31 December 2020.

CST = *Cannon Street Trust* **C** = Conservation area **L** = Listed

Name	**Details**
Acocks Green	Chapel, School Hall
L	Manse
Alvechurch	Chapel, Schoolrooms, land at rear
C	Manse
Attleborough	Church, other properties
	Manse
Ashmore Park	Chapel, Hall
Austrey	Church Buildings
L	
Baddeley Edge	Chapel
Baptist Church Centre Handsworth	Church
Barnt Green	Chapel, land at rear
	Manse
Bearwood	Church and School Hall
Bedworth	Chapel and School Hall
	Manse
Bilston	Church and halls
	Manse
Binley Woods (LEP)	Manse
Birmingham Central Baptist Church	Church
CST	Land Adjoining car park
Bridgnorth	Chapel
L	Offices 7 West Castle Street
Brierley Hill	Chapel, Schoolrooms, Burial ground
	Manse
Bromsgrove	Chapel and School Hall
	Manse
Butt Lane, Stoke-on-Trent	Chapel and School Hall
Cannon Street Memorial	Church Building
CST	House
	Manse
Carters Lane	Chapel and School hall
	Manse
Castle Bromwich	Church, Manse
CST	
Castle Hill, Warwick	Church and additional properties in Warwick
C	Manse

Catshill	Chapel and halls, burial ground
	Manse
Cedar Church, Kingstanding	Chapel and Hall
Chadsmoor	Chapel, Schoolrooms
Chase	Chuch
Chelmsley Wood	Church Centre
	Manse
Chester Road,	Chapel
	Manse
Chorley	Chapel
	Burial Ground
Church of the Redeemer	Properties in Monument Road
CST	
City Road	Church
CST	Manse
Darkhouse	Chapel, School Hall and small burial ground
	Graveyard, Bell St
Dawley	Church, School Hall and Burial Ground
	Manse
Donnington Wood	Chapel
Edward Rd	Chapel and Schoolrooms
L	
Erdington, Six Ways	Chapel, School Halls
	Manse
Ewyas Harold	Church
	Manse and Land adjoining
Far Forest	Church
Fenton	Chapel and School Hall
Fordhouses Wolverhampton	Chapel and School Hall
	Manse
Four Oaks	Chapel and Halls
	House
George Road Community Church	Church Site
Grace Community Church,	Church building and land abutting church
Grenfell	Chapel, Land adjoining
	House
Hall Green (occupied by	Chapel, Hall
Cristchurch LEP)	Manse
Hope Stourbridge	Chapel, School Hall
	Manse
Hanley, Stoke-on-Trent	Church Centre
Harborne	Church and Halls adjoining plus other properties
	Manse
Hearsall	Manse
Heart of England Revival Church	Church
Kenilworth	

Highgate	Chapel and Hall
Hockley Heath	Church Hall,
	Land Adjoining
Kings Community Church	Church and Schoolroom
Kings Norton	Chapel and School Hall and land adjoining
	Manse
Ledbury	Church
L	Manse and additional house
Lentons Lane, Coventry	Church and School Hall plus additional land
	Manse
Limbrick Wood	Church, Hall
	Manse
Londonderry	Church and hall
Longbridge	Chapel and Hall
	Manse
Longford	Salem:
	School Halls (Chapel sold) Leased expiring 2030
	Union Place:
	Church, hall and burial ground
Ludlow	Church Centre
Netherton, Ebenezer	Chapel and Schoolroom
Lodge Farm, Netherton	Church Hall
Messiah, Netherton	Burial Ground
New Christ Church, Aston	Chapel
	Manse
Newbridge	Chapel, School Hall
	Manse
Newcastle-under-Lyme	Church
New Life,	Church
Kings Heath	Manse and 2 houses
Newport	Church Building and site
Northfield	Church and halls
	Other land on site
Olton	Offices 85 Warwick Road
Oswestry	Church Building
C	
Overslade	Church Hall
Peoples Chapel	Church
CST	Manse
Perry Beeches	Chapel
Providence	Chapel, and burial ground
	Manse
Polesworth	Church, School Hall and burial ground
Pontesbury	Chapel and Burial Ground
	Manse

Rugby	Chapel and School Halls
L	
St Peter's Worcester	Church
	Manse,
Saltley	Chapel
	Manse
Sandon Road, Stafford	Chapel and School Hall
	2 Houses
Selly Park	Chapel and School Hall
	Manse
Shrewsbury	Claremont site: Chapel
C	Crowmoor site:
Small Heath	Church and halls
CST	
Smethwick **CST**	Church
Stechford	Chapel
	Manse
Stoke Baptist Church	Church
	Manse
Stratford Road **CST**	Church
Tabernacle Wolverhampton	Chapel and School halls, car park
	Manse
Tamworth	Chapel
Walsall, The Delves	Site, Chapel, Church Hall
	Manse
Walsgrave	Chapel and School Hall
	Manse
Warley	Chapel and School Halls and land adjoining
	Manse
Wednesbury	Chapel,
	Manse
West Bromwich	Chapel, Manse
Westmancote Baptist Trust	CC Order 2004. Co-Trustees with Official Custodian
Wolston	Chapel, Burial Ground
C	
Word of Spirit and Life Church,	Church
Yardley	School Hall
	Manse
Yardley Wood	Chapel and extensions
	Manse