



# 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

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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 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.



## THE HEART OF ENGLAND BAPTIST ASSOCIATION

### REPORT OF THE TRUSTEES (CONTINUED)

#### YEAR ENDED 31 DECEMBER 2021

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- 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 HEART OF ENGLAND BAPTIST ASSOCIATION

### REPORT OF THE TRUSTEES (CONTINUED)

#### YEAR ENDED 31 DECEMBER 2021

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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

## **THE HEART OF ENGLAND BAPTIST ASSOCIATION**

### **REPORT OF THE TRUSTEES (CONTINUED)**

#### **YEAR ENDED 31 DECEMBER 2021**

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- 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.



## **THE HEART OF ENGLAND BAPTIST ASSOCIATION**

### **REPORT OF THE TRUSTEES (CONTINUED)**

#### **YEAR ENDED 31 DECEMBER 2021**

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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 HEART OF ENGLAND BAPTIST ASSOCIATION

### REPORT OF THE TRUSTEES (CONTINUED)

#### YEAR ENDED 31 DECEMBER 2021

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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

## THE HEART OF ENGLAND BAPTIST ASSOCIATION

### REPORT OF THE TRUSTEES (CONTINUED)

#### YEAR ENDED 31 DECEMBER 2021

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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.

## THE HEART OF ENGLAND BAPTIST ASSOCIATION

### REPORT OF THE TRUSTEES (CONTINUED)

YEAR ENDED 31 DECEMBER 2021

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#### 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



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## THE HEART OF ENGLAND BAPTIST ASSOCIATION

(A Company Limited by Guarantee)

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

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#### 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.

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## THE HEART OF ENGLAND BAPTIST ASSOCIATION

(A Company Limited by Guarantee)

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

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#### 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.



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## THE HEART OF ENGLAND BAPTIST ASSOCIATION

(A Company Limited by Guarantee)

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

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#### 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.



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**THE HEART OF ENGLAND BAPTIST ASSOCIATION**

**(A Company Limited by Guarantee)**

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

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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](http://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

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**THE HEART OF ENGLAND BAPTIST ASSOCIATION**

**(A Company Limited by Guarantee)**

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

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	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
<b>Income from:</b>					
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
<b>Total income</b>		<b>417,229</b>	<b>7,452</b>	<b>424,681</b>	<b>753,492</b>
<b>Expenditure on:</b>					
Raising funds	8,9	38,851	-	38,851	44,186
Charitable activities	10	582,665	26,160	608,825	678,932
<b>Total expenditure</b>		<b>621,516</b>	<b>26,160</b>	<b>647,676</b>	<b>723,118</b>
Net gains/(losses) on investments	16	175,051	-	175,051	(238,175)
<b>Net movement in funds before other recognised gains</b>		<b>(29,236)</b>	<b>(18,708)</b>	<b>(47,944)</b>	<b>(207,801)</b>
<b>Other recognised gains:</b>					
Other gains	26	4,984	-	4,984	47,073
<b>Net movement in funds</b>		<b>(24,252)</b>	<b>(18,708)</b>	<b>(42,960)</b>	<b>(160,728)</b>
<b>Reconciliation of funds:</b>					
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)
<b>Total funds carried forward</b>		<b>1,778,858</b>	<b>1,414,429</b>	<b>3,193,287</b>	<b>3,236,247</b>

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.

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THE HEART OF ENGLAND BAPTIST ASSOCIATION

(A Company Limited by Guarantee)  
REGISTERED NUMBER: 00238738

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**BALANCE SHEET**  
**AS AT 31 DECEMBER 2021**

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



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**THE HEART OF ENGLAND BAPTIST ASSOCIATION**

**(A Company Limited by Guarantee)**  
**REGISTERED NUMBER: 00238738**

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**BALANCE SHEET (CONTINUED)**  
**AS AT 31 DECEMBER 2021**

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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.

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**THE HEART OF ENGLAND BAPTIST ASSOCIATION****(A Company Limited by Guarantee)**

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**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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	2021 £	2020 £
<b>Cash flows from operating activities</b>		
Net cash used in operating activities (Note 23)	(245,618)	(211,852)
<b>Cash flows from investing activities</b>		
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)
<b>Net cash provided by/(used in) investing activities</b>	<b>641,062</b>	<b>(63,907)</b>
<b>Cash flows from financing activities</b>		
Deficiency payments against pension liability	(17,677)	(13,016)
<b>Net cash used in financing activities</b>	<b>(17,677)</b>	<b>(13,016)</b>
<b>Change in cash and cash equivalents in the year</b>	<b>377,767</b>	<b>(288,775)</b>
Cash and cash equivalents at the beginning of the year	768,714	1,057,489
<b>Cash and cash equivalents at the end of the year</b>	<b>1,146,481</b>	<b>768,714</b>

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



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## THE HEART OF ENGLAND BAPTIST ASSOCIATION

(A Company Limited by Guarantee)

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

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#### 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.

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## THE HEART OF ENGLAND BAPTIST ASSOCIATION

(A Company Limited by Guarantee)

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

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#### 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.

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## THE HEART OF ENGLAND BAPTIST ASSOCIATION

(A Company Limited by Guarantee)

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

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## 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.



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## THE HEART OF ENGLAND BAPTIST ASSOCIATION

(A Company Limited by Guarantee)

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

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## 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.

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## THE HEART OF ENGLAND BAPTIST ASSOCIATION

(A Company Limited by Guarantee)

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

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#### 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.



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## THE HEART OF ENGLAND BAPTIST ASSOCIATION

(A Company Limited by Guarantee)

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

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## 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.



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**THE HEART OF ENGLAND BAPTIST ASSOCIATION****(A Company Limited by Guarantee)**

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

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**4. Income from donations and legacies**

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
<b>Donations</b>			
Donations	200	-	200
<b>Subtotal detailed disclosure</b>	<u>200</u>	<u>-</u>	<u>200</u>
Home Mission Fund Grant	123,032	-	123,032
Home Mission Grant for mission	120,149	-	120,149
<b>Total 2021</b>	<u>243,381</u>	<u>-</u>	<u>243,381</u>

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
<b>Donations</b>			
Donations	3,900	-	3,900
Donated assets	294,000	-	294,000
<b>Subtotal detailed disclosure</b>	<u>297,900</u>	<u>-</u>	<u>297,900</u>
Home Mission Fund Grant	119,332	-	119,332
Home Mission Grant for mission	136,994	-	136,994
Flood appeal grants	-	8,324	8,324
<b>Total 2020</b>	<u>554,226</u>	<u>8,324</u>	<u>562,550</u>

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THE HEART OF ENGLAND BAPTIST ASSOCIATION

(A Company Limited by Guarantee)

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

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5. Income from charitable activities

	Unrestricted funds 2021 £	Total funds 2021 £
Ministers' Conference	10	10
Other activities	37,500	37,500
<b>Total 2021</b>	<b>37,510</b>	<b>37,510</b>

  

	Unrestricted funds 2020 £	Total funds 2020 £
Ministers' Conference	11,616	11,616
Other activities	33,312	33,312
<b>Total 2020</b>	<b>44,928</b>	<b>44,928</b>

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THE HEART OF ENGLAND BAPTIST ASSOCIATION

(A Company Limited by Guarantee)

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

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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
<b>Total 2021</b>	<b>123,707</b>	<b>7,452</b>	<b>131,159</b>

  

	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
<b>Total 2020</b>	<b>118,140</b>	<b>8,441</b>	<b>126,581</b>

7. Other incoming resources

	Unrestricted funds 2021 £	Total funds 2021 £
Payroll service	12,399	12,399
Other activities	232	232
<b>Total 2021</b>	<b>12,631</b>	<b>12,631</b>



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THE HEART OF ENGLAND BAPTIST ASSOCIATION

(A Company Limited by Guarantee)

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

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7. Other incoming resources (continued)

	Unrestricted funds 2020 £	Total funds 2020 £
Payroll service	18,774	18,774
Other activities	659	659
Total 2020	<u>19,433</u>	<u>19,433</u>

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	<u>20,393</u>	<u>20,393</u>

	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	<u>25,873</u>	<u>25,873</u>

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THE HEART OF ENGLAND BAPTIST ASSOCIATION

(A Company Limited by Guarantee)

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

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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

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**THE HEART OF ENGLAND BAPTIST ASSOCIATION****(A Company Limited by Guarantee)**

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

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**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
	<u>672,518</u>	<u>6,414</u>	<u>678,932</u>

**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
<b>Total 2021</b>	<u>167,473</u>	<u>264,835</u>	<u>176,517</u>	<u>608,825</u>



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**THE HEART OF ENGLAND BAPTIST ASSOCIATION****(A Company Limited by Guarantee)**

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

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**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
<b>Total 2020</b>	<b>209,716</b>	<b>291,137</b>	<b>178,079</b>	<b>678,932</b>

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

**Analysis of direct costs**

	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
<b>Total 2021</b>	<b>145,574</b>	<b>2,142</b>	<b>4,971</b>	<b>14,786</b>	<b>167,473</b>

THE HEART OF ENGLAND BAPTIST ASSOCIATION

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

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

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**THE HEART OF ENGLAND BAPTIST ASSOCIATION****(A Company Limited by Guarantee)**

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

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**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
	<u>232,788</u>	<u>260,622</u>

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

2021 No.	2020 No.
<u>8</u>	<u>9</u>

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 disclosed 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).



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THE HEART OF ENGLAND BAPTIST ASSOCIATION

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NOTES TO THE FINANCIAL STATEMENTS  
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15. Tangible fixed assets

	Freehold property £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost or valuation</b>				
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
<b>Depreciation</b>				
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
<b>Net book value</b>				
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 £
<b>Cost or valuation</b>			
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

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## THE HEART OF ENGLAND BAPTIST ASSOCIATION

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

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#### 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
	<u>172,319</u>	<u>208,126</u>

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	<u>177,892</u>	<u>301,678</u>

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**THE HEART OF ENGLAND BAPTIST ASSOCIATION****(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS  
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**19. Creditors: Amounts falling due within one year**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Trade creditors	<b>3,164</b>	(2,671)
Other taxation and social security	<b>6,948</b>	7,305
Other creditors	<b>2,126,617</b>	2,023,568
Accruals and deferred income	<b>29,412</b>	44,230
	<b>2,166,141</b>	<b>2,072,432</b>

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**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Other creditors	<b>4,000</b>	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.



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NOTES TO THE FINANCIAL STATEMENTS  
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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 £
<b>Designated funds</b>						
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
	<u>919,622</u>	<u>120,149</u>	<u>(274,106)</u>	<u>-</u>	<u>-</u>	<u>765,665</u>
<b>General funds</b>						
General Funds - all funds	883,488	297,080	(347,410)	-	180,035	1,013,193
<b>Total Unrestricted funds</b>	<u>1,803,110</u>	<u>417,229</u>	<u>(621,516)</u>	<u>-</u>	<u>180,035</u>	<u>1,778,858</u>
<b>Restricted funds</b>						
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
	<u>1,433,137</u>	<u>7,452</u>	<u>(26,160)</u>	<u>-</u>	<u>-</u>	<u>1,414,429</u>
<b>Total of funds</b>	<u>3,236,247</u>	<u>424,681</u>	<u>(647,676)</u>	<u>-</u>	<u>180,035</u>	<u>3,193,287</u>

THE HEART OF ENGLAND BAPTIST ASSOCIATION

(A Company Limited by Guarantee)

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

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 £
<b>Designated funds</b>						
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
	<u>778,255</u>	<u>430,994</u>	<u>(289,627)</u>	<u>-</u>	<u>-</u>	<u>919,622</u>
<b>General funds</b>						
General Funds	1,195,934	305,733	(427,077)	-	(191,102)	883,488
<b>Total Unrestricted funds</b>	<u>1,974,189</u>	<u>736,727</u>	<u>(716,704)</u>	<u>-</u>	<u>(191,102)</u>	<u>1,803,110</u>
<b>Restricted funds</b>						
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
	<u>1,422,786</u>	<u>16,765</u>	<u>(6,414)</u>	<u>-</u>	<u>-</u>	<u>1,433,137</u>
<b>Total of funds</b>	<u><u>3,396,975</u></u>	<u><u>753,492</u></u>	<u><u>(723,118)</u></u>	<u><u>-</u></u>	<u><u>(191,102)</u></u>	<u><u>3,236,247</u></u>

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**THE HEART OF ENGLAND BAPTIST ASSOCIATION****(A Company Limited by Guarantee)**

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

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**22. Analysis of net assets between funds****Analysis of net assets between funds - current year**

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

**Analysis of net assets between funds - prior year**

	<i>Unrestricted funds 2020 £</i>	<i>Restricted funds 2020 £</i>	<i>Total funds 2020 £</i>
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)
<b>Total</b>	<b>1,803,110</b>	<b>1,433,137</b>	<b>3,236,247</b>



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THE HEART OF ENGLAND BAPTIST ASSOCIATION

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

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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)
<b>Adjustments for:</b>		
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
<b>Net cash used in operating activities</b>	<b>(245,618)</b>	<b>(211,852)</b>

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
<b>Total cash and cash equivalents</b>	<b>1,146,481</b>	<b>768,714</b>

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
	<b>768,714</b>	<b>377,767</b>	<b>1,146,481</b>

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## THE HEART OF ENGLAND BAPTIST ASSOCIATION

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

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#### 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.

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**THE HEART OF ENGLAND BAPTIST ASSOCIATION****(A Company Limited by Guarantee)**

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

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**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)
<b>Balance sheet liability at year end</b>	<b>81,600</b>	<b>102,969</b>

\* 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:



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**NOTES TO THE FINANCIAL STATEMENTS  
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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
	<u>6,942</u>	<u>26,223</u>

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## THE HEART OF ENGLAND BAPTIST ASSOCIATION

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

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#### 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.

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**THE HEART OF ENGLAND BAPTIST ASSOCIATION**

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

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**31. Company limited by guarantee**

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



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**NOTES TO THE FINANCIAL STATEMENTS  
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**Appendix 1 – Grants paid during the year**

<b>Grants to Churches</b>	<b>Unrestricted</b>	<b>Designated from Missions Grant</b>	<b>Designated</b>	<b>Restricted</b>	<b>2021 Total</b>	<b>2020 Total</b>
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

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THE HEART OF ENGLAND BAPTIST ASSOCIATION

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NOTES TO THE FINANCIAL STATEMENTS  
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**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	-

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

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**Appendix 1 – Grants paid during the year**

Wednesbury	-	6,125	-	-	6,125	6,000
Wolston	-	3,063	-	-	3,063	3,000
<b>Grants to Individuals</b>						
Rev Kirsteen Macaulay	500	-	-	-	500	-
Rev'd N.Bennett	329	-	-	-	329	500
Church from Scratch project	-	-	100	-	100	-
<b>Grants to Organisations</b>						
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



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THE HEART OF ENGLAND BAPTIST ASSOCIATION

(A Company Limited by Guarantee)

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

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Appendix 1 – Grants paid during the year

Ministry among Deaf Exps	1,854	-	-	-	1,854	1,429
Telford Christians Together	-	-	392	-	392	2,000
<b>Total</b>	<b>2,683</b>	<b>192,936</b>	<b>54,622</b>	<b>11,374</b>	<b>261,615</b>	<b>291,138</b>

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## THE HEART OF ENGLAND BAPTIST ASSOCIATION

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

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#### 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	<b>CST</b>	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	<b>CST</b>	Church and Halls, House, Manse
Carters Lane		Chapel and School hall Manse
Castle Bromwich	<b>CST</b>	Church and Manse
Castle Hill, Warwick	C	Church, other properties, Manse
Catshill		Chapel and halls, burial ground, Manse
Cedar Church, Kingstanding		Chapel and Hall

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## THE HEART OF ENGLAND BAPTIST ASSOCIATION

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

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Chadsmoor		Chapel, Schoolrooms
Chase		Church
Chelmsley Wood		Church Centre, Manse
Chester Road,		Chapel, Manse
Chorley		Chapel, Burial Ground
Church of the Redeemer	<b>CST</b>	Properties in Monument Road
City Road	<b>CST</b>	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	<b>L</b>	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.



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

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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

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## THE HEART OF ENGLAND BAPTIST ASSOCIATION

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

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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

