



ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

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

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THE HEART OF ENGLAND BAPTIST ASSOCIATION

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

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

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

Objectives and Activities

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

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

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

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

The Charitable Company aims to:

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

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

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

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

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

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

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

Public Benefit

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

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The Trustees sought to achieve this in several ways including:

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

Achievements and Performance

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Risk Review

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

Significant risks identified during the year were:

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

Financial Review

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

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

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

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

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

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Investment powers, policy and performance

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

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

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

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

Reserves policy

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

Plans for future periods

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

This will include:

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

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

Structure, Governance, Management

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

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

Trustees' Interests

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

Recruitment, appointment, induction and training of Trustees

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

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

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

Trustees as at 31 December 2024

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

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

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

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Related Parties

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

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

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

Key Management personnel remuneration

The Charitable Company consider their key management personnel to be:

The Charitable Company's Board of Trustees

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

Persons of Significant Control (PSC) Register

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

Trustees responsibilities in relation to the financial statements

The Trustees (who are also directors of The Heart of England Baptist Association for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Charitable Company and of the incoming resources and application of resources, including the income and expenditure, of the Charitable Company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in operation.

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

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**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2024**

In so far as the Trustees are aware:

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

The Auditor, MHA, previously traded through the legal entity MacIntyre Hudson LLP. In response to regulatory changes, MacIntyre Hudson LLP ceased to hold an audit registration with the engagement transitioning to MHA Audit Services LLP.

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

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

Signed


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Mrs Judith Miller
Moderator of the Association

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

Opinion

We have audited the financial statements of The Heart of England Baptist Association (the 'Charitable Company') for the year ended 31 December 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Charitable Company's affairs as at 31 December 2024 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Charitable Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

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

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

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

- the information given in the Trustees' Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

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

Responsibilities of Trustees

As explained more fully in the Trustee's Responsibilities Statement, page 9, the Trustees (who are also the directors of the Charitable Company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

Use of our report

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

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

for and on behalf of
MHA

Statutory Auditors

Milton Keynes, United Kingdom

Date:

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

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

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

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

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

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

THE HEART OF ENGLAND BAPTIST ASSOCIATION
(A Company Limited by Guarantee)
REGISTERED NUMBER: 00238738

BALANCE SHEET
AS AT 31 DECEMBER 2024

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


THE HEART OF ENGLAND BAPTIST ASSOCIATION
(A Company Limited by Guarantee)
REGISTERED NUMBER: 00238738

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2024

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

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

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


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

Date: *22nd May 2025*

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

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

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024

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

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

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

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

1. General information

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

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

2. Accounting policies

2.1 Basis of preparation of financial statements

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

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

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

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

2.2 Company status

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

2.3 Going concern

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

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

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

2. Accounting policies (continued)

2.4 Income

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

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

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

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

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

2.5 Expenditure

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

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

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

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

All expenditure is inclusive of irrecoverable VAT.

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

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

2. Accounting policies (continued)

2.5 Expenditure (continued)

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

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

2.6 Interest receivable

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

2.7 Taxation

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

2.8 Tangible fixed assets and depreciation

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

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

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

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

Depreciation is provided on the following basis:

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

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

No depreciation is charged on the freehold land.

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

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

2. Accounting policies (continued)

2.9 Investments

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

2.10 Debtors

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

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

2.11 Cash at bank and in hand

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

2.12 Liabilities and Provisions

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

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

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

2.13 Financial instruments

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

2.14 Operating leases

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

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

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

2. Accounting policies (continued)

2.15 Pensions

The Charity participates in a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Charity pays fixed contributions into a separate entity. Once the contributions have been paid the Charity has no further payment obligations. The contributions are recognised as an expenditure when they are due. Amounts not paid are shown in accruals in the Balance Sheet. The assets of the plan are held separately from the Charity in an independently administered fund.

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

2.16 Fund accounting

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

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

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

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

3. Critical accounting estimates and areas of judgement

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

Judgements in applying the entity's accounting policies:

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

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

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

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

Critical accounting estimates and assumptions:

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

Useful economic lives and residual values of tangible assets - the annual depreciation charge of tangible assets is sensitive to changes in the estimated useful economic lives and the residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on economic utilisation, physical condition and future investments of assets.

4. Income from donations and legacies

| | Unrestricted funds 2024 £ | Total funds 2024 £ |
|--------------------------------|------------------------------------|-----------------------------|
| Donations | 1,796 | 1,796 |
| Home Mission Fund Grant | 134,531 | 134,531 |
| Home Mission Grant for mission | 134,530 | 134,530 |
| | <u>270,857</u> | <u>270,857</u> |
| | | |
| | Unrestricted funds 2023 £ | Total funds 2023 £ |
| Donations | 62,202 | 62,202 |
| Home Mission Fund Grant | 118,526 | 118,526 |
| Home Mission Grant for mission | 133,658 | 133,658 |
| | <u>314,386</u> | <u>314,386</u> |

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

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

5. Income from charitable activities

| | Unrestricted funds 2024 £ | Total funds 2024 £ |
|-----------------------|------------------------------------|-----------------------------|
| Minister's Conference | 12,600 | 12,600 |
| Other activities | 40,066 | 40,066 |
| Total 2024 | 52,666 | 52,666 |
| | | |
| | Unrestricted funds 2023 £ | Total funds 2023 £ |
| Minister's Conference | 13,934 | 13,934 |
| Other activities | 43,840 | 43,840 |
| Total 2023 | 57,774 | 57,774 |

6. Investment income

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

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

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

6. Investment income (continued)

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

7. Other incoming resources

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

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

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

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

8. Expenditure on raising funds

| | Unrestricted funds 2024 £ | Total funds 2024 £ |
|-------------------------------------|------------------------------------|-----------------------------|
| Payroll scheme expenses | 9,211 | 9,211 |
| Interest on funds held for churches | 113,048 | 113,048 |
| Total 2024 | <u>122,259</u> | <u>122,259</u> |
| | Unrestricted funds 2023 £ | Total funds 2023 £ |
| Payroll scheme expenses | 10,026 | 10,026 |
| Interest on funds held for churches | 99,804 | 99,804 |
| Total 2023 | <u>109,830</u> | <u>109,830</u> |

9. Investment management costs

| | Unrestricted funds 2024 £ | Total funds 2024 £ |
|----------------------------|------------------------------------|-----------------------------|
| Investment management fees | <u>18,762</u> | <u>18,762</u> |

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

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

9. Investment management costs (continued)

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

10. Analysis of expenditure on charitable activities

Summary by fund type

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

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

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

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

11. Analysis of expenditure by activities

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

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

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

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

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

11. Analysis of expenditure by activities (continued)

Analysis of direct costs

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

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

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

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

11. Analysis of expenditure by activities (continued)

Analysis of support costs

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

12. Auditor's remuneration

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

13. Staff costs

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

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

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

13. Staff costs (continued)

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

| 2024 | 2023 |
|-------------|-------------|
| No. | No. |
| 8 | 8 |

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

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

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

14. Trustees' remuneration and expenses

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

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

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

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

15. Tangible fixed assets

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

16. Fixed asset investments

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

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

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

16. Fixed asset investments (continued)

All fixed asset investments are held in the UK.

Subsidiary undertaking:

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

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

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

17. Debtors

| | 2024 £ | 2023 £ |
|--------------------------------|----------------|----------------|
| Trade debtors | 14,498 | 8,265 |
| Other debtors | 117,499 | 122,599 |
| Prepayments and accrued income | 65,071 | 19,992 |
| | <u>197,068</u> | <u>150,856</u> |

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

18. Current asset investments

| | 2024 £ | 2023 £ |
|-------------------------------------|------------------|----------------|
| Deposits held on behalf of churches | <u>1,258,380</u> | <u>910,343</u> |

19. Creditors: Amounts falling due within one year

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

THE HEART OF ENGLAND BAPTIST ASSOCIATION
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

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

| 2024 | 2023 |
|-------------|-------------|
| £ | £ |

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

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

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

20. Statement of funds

Statement of funds - current year

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

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

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

20. Statement of funds (continued)

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

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

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

20. Statement of funds (continued)

Statement of funds - prior year

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

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

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

20. Statement of funds (continued)

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

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

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

21. Analysis of net assets between funds

Analysis of net assets between funds - current period

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

Analysis of net assets between funds - prior period

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

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

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

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

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

23. Analysis of cash and cash equivalents

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

24. Analysis of changes in net debt

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

THE HEART OF ENGLAND BAPTIST ASSOCIATION
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

25. Pension commitments

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

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

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

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

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

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

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

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

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

25. Pension commitments (continued)

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

Recovery Plan

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

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

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

The key financial assumptions underlying the valuations were as follows:

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

THE HEART OF ENGLAND BAPTIST ASSOCIATION
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

25. Pension Commitments (Continued)

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

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

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

26. Operating lease commitments

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

| | 2024 £ | 2023 £ |
|--|--------------|--------------|
| Not later than 1 year | 1,242 | 1,656 |
| Later than 1 year and not later than 5 years | - | 1,242 |
| | <u>1,242</u> | <u>2,898</u> |

THE HEART OF ENGLAND BAPTIST ASSOCIATION
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

27. Related party transactions

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

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

The CST Corporate Trustee Limited

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

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

The Cannon Street Baptist Chapel Trust

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

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

Umberslade Endowment Charity

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

28. Controlling party

The Charity is ultimately controlled by the Board of Trustees.

29. Company limited by guarantee

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

THE HEART OF ENGLAND BAPTIST ASSOCIATION

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

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

THE HEART OF ENGLAND BAPTIST ASSOCIATION

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

C = Conservation area L = Listed

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

THE HEART OF ENGLAND BAPTIST ASSOCIATION

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

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

THE HEART OF ENGLAND BAPTIST ASSOCIATION

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

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

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

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

