

# EASTERN BAPTIST ASSOCIATION

## ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020

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TRUSTEES	Peter Thomas	Barry Walton (Treasurer)
	Nick Lear	Sean Fountain
	Graeme Ross	Alan Brand
	Jeniya Gwendu (moderator)	John Goddard
	Andrew Wade	Fiona Heddle -co-option
	Melanie Pike (resigned 17/9/20)	Laura Evans (appointed 21/9/20)
	Elizabeth Powney	Andrew Openshaw (appointed 18/4/20)
	Elizabeth Moulton - co-option (resigned 18/4/20)	

COMPANY SECRETARY Hayley Beckett

REGIONAL MINISTERS  
Nick Lear  
Elizabeth Powney  
Graeme Ross

REGISTERED OFFICE  
46 Churchill Road  
Thetford  
Norfolk  
IP24 2JZ

COMPANY REGISTRATION NUMBER 4221429

CHARITY REGISTRATION NUMBER 1089795

INDEPENDENT EXAMINER  
Ian Shipley FCCA  
For and on behalf of:  
Prentis & Co LLP  
Chartered Accountants and Independent Examiners  
115c Milton Road  
Cambridge, CB4 1XE

BANKERS	Lloyds Bank Plc	CAF Bank Ltd	Shawbrook
	13 Cornhill	25 Kings Hill Ave	Lutea House
	Ipswich	Kings Hill	Warley Hill Business Park
	Suffolk	West Mallong	Brentwood
	IP1 1DG	Kent	Essex
		ME19 4JQ	CM13 3BE

Baptist Union Corporation Limited  
Baptist House  
PO Box 44  
129 Broadway  
Didcot OX11 8RT

## ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020

## REPORT OF THE TRUSTEES

The Trustees, (who are also directors of the charity for the purposes of the Companies Act), present their annual report together with the financial statements of the charity for the year ending 31 December 2020 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Second edition, effective 1 January 2019).

## OBJECTIVES AND ACTIVITIES

The Trustees believe that advancement of the Christian faith, particularly as expressed through the Baptist movement, is of public benefit as it encourages social cohesion, provides an ethical framework for life and works itself out in the sacrificial giving of funds, time and effort by church members and attenders for the good of their own community and beyond.

As part of their work and witness, the Baptist Churches in membership with Eastern Baptist Association deliver a wide variety of activities which benefit the general public. These activities include: -

- promoting the study of religious teachings, practices and scriptures
- support of religious office holders e.g. ministers, deacons and elders of member churches;
- promoting prayer, praise and provision of training events;
- pastoral support to ministers and church congregations;
- contributing to the spiritual and moral education of children and young people and the provision of training to comply with the legal requirements regarding safeguarding.

The Vision Statement of the Eastern Baptist Association is

“Growing healthy churches in relationship for God’s mission in the East of England”

This vision statement is actively facilitated and fulfilled through eight areas of focus, we realise that each year we do not expect to fully succeed in implementing all eight areas but rather focus on two or three areas each year. The eight areas of our strategy are:

- Growing Godly leaders;
- Stewarding shared resources;
- Enabling relevant training;
- Encouraging healthy churches;
- Exploring fruitful partnerships;
- Sharing inspirational ideas;
- Offering apostolic leadership.
- Advocating transformational justice

Below are some specific examples of how some of these have been achieved in this last year, recognising the challenges that 2020 brought to organisations, in some ways ours was no different, most of our work had to be moved to an electronic platform. The items listed below have been undertaken electronically both live, recorded. or over the phone.

In March following government announcements churches were told to close their buildings to help reduce the spread of Coronavirus - while the buildings were closed churches were exploring ways in which they could still host a service of teaching and worship for their congregations. The Association was able to connect those that had the technical ability to do this with some who didn't to be able to learn from each other.

The Association was able to share stories from individual churches of ways that those churches were supporting members of their communities to inspire and encourage.

The regional team put high priority in pastorally supporting ministers from churches and made every effort to contact each individual minister to support and encourage them.

## ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020

## REPORT OF THE TRUSTEES continued

## ACHIEVEMENTS, PERFORMANCE AND DEVELOPMENTS

In terms of staffing 2020, following the return of Nick from sabbatical in February, remained stable. Revd Beth Powney continued as Team Leader based in the northern part of the Association and Revd Nick Lear continued in the southern part of our region. Revd Graeme Ross continued in the central part of our region. Revd Barry Walton continued as Treasurer, Mrs Julie Bady continues as Finance officer, and Mrs Hayley Beckett as Association Secretary.

Mrs Jeniya Gwendu has continued as Moderator for 2020 with only a few changes. In April Miss Liz Moulton completed her term and Revd Andrew Openshaw was co-opted onto the trustee board. In September Mrs Laura Evans was co-opted onto the trustee board. In September Mrs Mel Pike resigned as she moved out of the EBA's geographical area. The trustee board finished 2020 as below.

Mrs Jeniya Gwendu - Moderator

Revd Barry Walton - Treasurer

Revd Peter Thomas - Finance and Administration,

Revd John Goddard - Ministry,

Mr Andrew Wade - Communication,

Vacancy - Children and Families

Revd Sean Fountain - Healthy Churches

Revd Alan Brand - Justice Transformation

Revd Fiona Heddle, Revd Andrew Openshaw and Mrs Laura Evans as co-opted members.

Revd's Beth Powney, Nick Lear Graeme Ross as exofficio members of Council.

The membership of the Association at the end of 2020 was 172 churches. This includes the transfer of Romford Baptist Church out of the EBA to the LBA.

Finance

The EBA have continued to provide three Regional Ministers for the Association despite the continued backdrop of falling income from the main income source. Resources expended on charitable activities was £344,513 (£469,440 :2019) including governance. £108,728 (£100,460 : 2019) was awarded in Home Mission grants.

Principal Funding Sources

The charity's main source of income are the payments from the Baptist Union for both Operational Funding and Mission Payments which are calculated according to a funding formula which is applied to the total amount received by the BU for Home Mission from churches. Further income is received from investments, rental income and preaching fees.

Principal Expenditure

The majority of expenditure is directly related to the provision of three Regional Ministers which Council consider the minimum needed to service the needs of all the EBA churches over such a vast area. This includes amounts to maintain the property portfolio to a good standard of repair. The RM team is supported by a Company Secretary for governance issues, and a Finance Officer. We have now additionally employed an EBA Safeguarding Officer for 8-12 hours per week.

Loans to churches have now been discontinued and the Loan Fund has been redesignated for supporting churches with Pension Liabilities if required. The year-end amount owed by four churches was £43,791 (£57,191 : 2019).

The Ministers Training fund and Lay Ministry Training fund shared the cost of £2,520 for Mental Health Training by Transpire. This cost was partially offset by income of £1,040. One grant was awarded for £400, however due to Covid this was returned with the intent of using at a later date. The Training fund also supported £430 towards Conflict Training for NAMs and £150 for NAMs speaker fees.

Total funds at the year-end including unrestricted, restricted and designated funds were £2,234,359 (£2,234,439 :2019). EBA drew on reserves in 2020 to the extent of £80 (£22,245 : 2019). Total cash held at the year end is £801,520 (£790,131 : 2019) for all funds.

## ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020

## REPORT OF THE TRUSTEES continued

Going forward we project a General fund budget for 2021 with a deficit of £46,214 which is to say £888 every week. We consider this necessary and appropriate to support the work of the Association and in particular funding three full time Regional Ministers. We project and support similar annual deficits rising to over £60,000 in subsequent years, but recognise that this use of reserves to cover ongoing shortfalls has the following implications. Reserves spent in this way cannot then be used to fund other activities and projects now or in the future. In the long term it can take many years to rebuild reserves, again reducing future possibilities and unless the funding structure for Associations is significantly revised, or other income streams can be developed, at that level of expenditure reserves available for ongoing deficits and not required for other purposes will be exhausted by the end of 2024.

Fundraising

The Charity does not actively fundraise but does receive from time to time unsolicited gifts and donations from the general public. The Trustees do not employ professional or outside agencies to fundraise on its behalf and as such does not consider it necessary to be part of a voluntary scheme or standard. EBA is exploring ways to raise funds specifically for our own purposes.

Property Matters

The Company Secretary and the Treasurer together with the Finance and Administration Task Group oversee the property portfolio for the EBA. The Thetford house continues as the RM manse for the northern sector. The Wickford property is the RM manse for the southern sector. In addition, under the terms of the Finance Arrangement for Associations with the BU, a property is owned in Bury St Edmunds, by the BU, and was used as the RM manse for the Central sector. Following the purchase of the EBA Manse in Earls Colne, the BU are giving the EBA a supporting manse allowance of £1,567 (£625 in 2019) per month. The supporting rent allowance is now at market rate.

Through 2020 the rental property in Wickford continued to be let to generate income to support ministry and governance costs. However EBA Council are prepared to consider selling that property at some time in the future. Moving forward, all properties continue to be reviewed annually to maintain the five year plan for routine maintenance and planned refurbishment of the three EBA properties.

The EBA received £18,879 from the closure of a Church which was allocated to the Home Mission fund. £500 was received from another Church closure and this money was directed to the General fund.

During the year the Regional Minister Team Leader did some Chaplaincy work for the local hospital and for her time the EBA received £2,221.

Governance

During the year, the Trustees have reviewed the Association Data Protection Policy and accepted an update following the review. The Charity Risk Assessment has also been removed and updated to be completed at the beginning of 2021.

Ministerial Support

The Ministers' Conference held in February at High Leigh Conference Centre was attended by just under 100 ministers both retired and active and some spouses. The speaker at the conference was Revd Lynn Green, General Secretary of the Baptist Union of Great Britain. The Association arranged training days that included Mental Health Awareness, Safeguarding and Using presentation software. The Association also provided opportunities for retreat and listening days. The regional team also provided a number of pre recorded services on our You Tube channel for churches to use during their weekly broadcasts plus extra resources at Easter, Remembrance and Christmas.

Administration and Communication

The Association uses a variety of electronic communication methods including a weekly prayer focus sent out by email, a MailChimp monthly bulletin, a weekly thought for the week and quarterly newssheets and we find that all of these serve their purpose. We also have a presence on Facebook as a page and a community group which facilitates churches sharing events with other churches.

## ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020

## REPORT OF THE TRUSTEES continued

Church Support

The settlement of ministers and churches continues to be facilitated by the Association through the National Settlement Team of the Baptist Union. More locally the recognition of people displaying skills and calling to take on the role of Minister is tested through our own recognition committee. During 2020 the committee met with 10 candidates seven of which were recommended onto training at college, one was commended as regionally recognised minister, one was affirmed as a Nationally recognised minister and was deferred for two years.

The Home Mission grants committee considered applications from 13 churches, seven special ministries and one chaplaincy partnerships. Each application is considered on its own merit and if successful grants are awarded measured by an active mission action plan. The grants committee submitted its recommendations to the trustees and awarded grants to 14 Churches, seven special ministries and one chaplaincy partnerships and these recommendations were agreed. Currently year on year demand for grants outstrips available funds so careful consideration is having to be given to each application.

The Association recognises that churches look outside of their local area and often to other parts of the world to support organisations and individuals working with people or groups in other countries.

Ecumenical

The regional staff continue to relate to ecumenical structures in the region within the counties where they are based. Further Ecumenical work is supported by Denominational officers in the counties. This work is particularly important where Baptists are partners.

Risk Assessment

An annual risk assessment continues to take place in the areas required by the Charities Commission. This is completed at the beginning of each year.

Serious Incidents

There are no serious incidents that the Regional Ministers/Council are aware of that require reporting. There have been no significant events affecting the Association's financial position since the end of the year. The trustees are aware of the current financial position and are taking steps to discuss and implement ways forward. There are no commitments or guarantees requiring disclosure.

Reserves Policy and Going Concern

Reserves at the year end amounted to £2,234,359 (£2,234,439: 2019) of which £2,086,455 (£2,095,069: 2019) was unrestricted and £637,694 (£444,272: 2019) could be considered free reserves. The Trustees have a policy of maintaining a minimum of £100,000 of free reserves, however, consider it prudent to hold more where possible to cover unforeseen or known but currently unquantifiable liabilities.

Pay Policy for Senior Staff

The Trustees consider themselves the key management of the charity and amongst their body include the Regional Ministers who are remunerated. Staff compensation packages are reviewed annually, compared with levels of pay in similar organisations and regularly increased for cost of living.

## STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

Eastern Baptist Association is a company limited by guarantee with charitable status which is governed by a Memorandum and Articles of Association.

Appointment of Trustees (also known as Council members)

The following revised process for appointing Council members was agreed at the EBA Assembly in June 2008.

1. Council will include the leaders of up to 10 Task Groups with the following remits or such alternative or additional remits as shall be determined by Council from time to time:

Administration  
Finance  
Ministry

Mission Strategy  
World Mission  
Young People

## ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020

## REPORT OF THE TRUSTEES continued

Nominations for leaders of the Task Groups will be sought from the member Churches of the Association. A Nominating Group appointed by the Council will nominate a leader for each Task Group and will present the names of the nominees to the member Churches for appointment at the Association's Annual General Meeting. Any person thus appointed as a Task Group leader will be eligible for re-appointment unless that person has, immediately before such re-appointment, already served three consecutive periods of office.

2. The appointment of Task Group leaders will take effect for a term which expires at the third Annual General Meeting following their appointment. However, two of the Task Group leaders appointed by member Churches for the first time will be appointed for two years, three for three years and two for four years.
3. The Council will be entitled to fill any vacancy for a Task Group leader which occurs during a term of appointment. A person filling that vacancy will serve until the next Annual General Meeting of the Association.
4. Council will include the Moderator and Treasurer of the Association who will be appointed by a majority vote at a General Meeting of the Association following nomination by the Council.

**Trustee induction and training**

The Trustees seek to ensure that procedures are in place for Trustee induction and training by reference to guidance published by the Charity Commission.

**Organisational Structure**

The charity has a Council who meet a minimum of four times a year and are responsible for its strategic direction and policy. Three regional ministers are appointed by the Trustees to manage the day to day operations of the charity.

**Risk Management**

In line with the requirements of the Charity Commission a risk assessment has been undertaken. A Charity Risk Assessment is undertaken in October each year, and a report submitted to Council. There were no issues arising.

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**

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

Company law and charity law require the Trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charitable company and of the surplus or deficit of the charitable company for that period.

In preparing those accounts, the Trustees are required to:


- (i) Select suitable accounting policies and apply them consistently;
- (ii) Observe the methods and principles of the Charities SORP;
- (iii) Make judgements and estimates that are reasonable and prudent;
- (iv) State whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- (v) Prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020

REPORT OF THE TRUSTEES continued

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 accounts 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.

This report was approved by the Board of Trustees and signed on its behalf.

  
.....  
Barry Walton 23/09/2021  
Trustee

## ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020

## INDEPENDENT EXAMINER'S REPORT TO THE MEMBERS OF EASTERN BAPTIST ASSOCIATION

I report on the accounts of the charity for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes.

## RESPONSIBILITIES AND BASIS OF REPORT

As the charity's trustees of the company (and also its directors for the purpose of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act')

Having been satisfied that the accounts of the company are not required to be audited under Pt.16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under s.145 of the Charities Act 2011 (the '2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under s.145(5)(b) of the 2011 Act.

## INDEPENDENT EXAMINERS' REPORT

Since the company's gross income exceeded £250,000 your examiner must be a member of a body listed in s.145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Association of Chartered Certified Accountants which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

- (1) accounting records were not kept in respect of the company as required by s.386 of the 2006 Act;
- (2) the accounts do not accord with those accounting records;
- (3) the accounts do not comply with the accounting requirements of s.396 of the 2006 Act other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or
- (4) the accounts have been prepared in accordance with the methods and principles of the Statement of Recommended practice for accounting and reporting by charities (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



IAN SHIPLEY FCCA

FOR AND ON BEHALF OF:  
PRENTIS & CO LLP  
CHARTERED ACCOUNTANTS &  
INDEPENDENT EXAMINERS

27 September 2021



## COUNTS FOR THE YEAR ENDED 31 DECEMBER 2020

## STATEMENT OF FINANCIAL ACTIVITIES

STATEMENT OF FINANCIAL ACTIVITIES									
	Notes	2020			2019				
		Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total Funds £	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total Funds £
INCOME									
Grants and donations	2	156,643	3,663	141,496	301,802	173,583	112,480	132,251	418,314
Investment income	3	42,430	201	-	42,631	28,679	202	-	28,881
TOTAL INCOME		199,073	3,864	141,496	344,433	202,262	112,682	132,251	447,195
EXPENDITURE									
Administrative activities	4	202,384	18,500	123,629	344,513	276,068	75,838	117,534	469,440
TOTAL EXPENDITURE		202,384	18,500	123,629	344,513	276,068	75,838	117,534	469,440
NET MOVEMENT IN FUNDS BEFORE TRANSFERS BETWEEN FUNDS									
TRANSFERS BETWEEN FUNDS	11-12	(3,311)	(14,636)	17,867	(80)	(73,806)	36,844	14,717	(22,245)
TRANSFERS BETWEEN FUNDS		189,333	(180,000)	(9,333)	-	12,426	(6,426)	(6,000)	-
NET MOVEMENT IN FUNDS FOR THE YEAR BEFORE GAINS/LOSSES		186,022	(194,636)	8,534	(80)	(61,380)	30,418	8,717	(22,245)
Gain/(losses) on revaluation of fixed assets	8	-	-	-	-	233,900	-	-	233,900
NET MOVEMENT IN FUNDS		186,022	(194,636)	8,534	(80)	172,520	30,418	8,717	211,655
RECONCILIATION OF FUNDS									
TOTAL FUNDS AT 1ST JANUARY 2020		1,541,822	553,247	139,370	2,234,439	1,369,302	522,829	130,653	2,022,784
TOTAL FUNDS AT 31ST DECEMBER 2020		1,727,844	358,611	147,904	2,234,359	1,541,822	553,247	139,370	2,234,439

the above results derived from continuing activities. There were no recognised gains or losses other than those stated above. Movement in funds are disclosed in notes 11 and 12 to the financial statements.

notes on pages 11 to 20 form part of these financial statements.

## ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020

## BALANCE SHEET

	Notes	2020 £	2019 £
<b>FIXED ASSETS</b>			
Tangible fixed assets	7	1,090,150	1,097,550
Investments	8	380,204	380,204
<b>TOTAL FIXED ASSETS</b>		<b>1,470,354</b>	<b>1,477,754</b>
<b>CURRENT ASSETS</b>			
Debtors	9	43,791	58,415
Cash at bank and in hand		801,520	790,131
<b>TOTAL CURRENT ASSETS</b>		<b>845,311</b>	<b>848,546</b>
<b>LIABILITIES</b>			
Creditors: amounts falling due within one year	10	2,536	8,790
<b>NET CURRENT ASSETS</b>		<b>842,775</b>	<b>839,756</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>2,313,129</b>	<b>2,317,510</b>
Provisions for liabilities and charges	16	78,770	83,071
<b>NET ASSETS</b>		<b>2,234,359</b>	<b>2,234,439</b>
<b>THE FUNDS OF THE CHARITY</b>			
Unrestricted Income Funds		1,727,844	1,541,822
Designated Income Funds	11	358,611	553,247
Restricted Income Funds	12	147,904	139,370
<b>TOTAL CHARITY FUNDS</b>		<b>2,234,359</b>	<b>2,234,439</b>

The trustees consider that the charitable company is entitled to exemption from the requirement to have an audit under the provisions of Section 477(1) of the Companies Act 2006. Members have not required the charitable company under Section 476 of the Companies Act 2006, to obtain an audit for the year ended 31 December 2020. The directors acknowledge their responsibilities for ensuring that the charitable company keeps accounting records which comply with Section 386 and 387 of the Companies Act 2006 and for preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at 31 December 2020 and of its deficit for the year then ended in accordance with the requirements of Section 396 and which otherwise comply with the requirements of the Act relating to the financial statements as far as applicable to the charitable company.

The financial statements, which have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006, were approved by the board on

23/09/2021

and signed on it behalf.

*B. R. Walton*

Barry Walton  
Trustee

The notes on pages 11 to 20 form part of these financial statements.

## ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020

## STATEMENT OF CASH FLOWS

	Notes	2020 £	2019 £
<b>CASH FROM OPERATING ACTIVITIES</b>			
Net cash used in operating activities	15	(31,242)	1,602
<b>Cash flows from investing activities</b>			
Dividends, interest and rents		42,631	28,881
Purchase of fixed asset		-	(498,000)
<b>Net cash provided by investing activities</b>		42,631	(469,119)
<b>Change in cash and cash equivalents in the year</b>		11,389	(467,517)
<b>Cash and cash equivalents at the beginning of the year</b>		790,131	1,257,648
<b>Cash and cash equivalents at the end of the year</b>		801,520	790,131

## ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020

## NOTES TO THE ACCOUNTS

## 1. ACCOUNTING POLICIES

## (a) BASIS OF PREPARATION OF ACCOUNTS

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these financial statements. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) Second edition, issued October 2019, the Charities Act 2011 and The Companies Act 2006. The financial statements have been prepared on a going concern basis.

The Trustees are of the view that they hold sufficient liquid assets to meet operating costs in the medium term. The principle uncertainties are the future upkeep costs of the properties and potential pension scheme liabilities. Additional contributions to the pension scheme should mitigate the risk.

The charity constitutes a public benefit as defined by FRS 102.

## (b) FUND ACCOUNTING

Unrestricted Funds	are available for use at the discretion of the Council of the Association in furtherance of the objectives of the Association
Designated Funds	are funds set aside by the Association in order to undertake specific projects, or equalise anticipated major expenditure on maintenance of fixed assets in future years.
Restricted Funds	are monies subject to regulation by the donors of the funds as to their use.

## (c) INCOME

Income is recognised in the year in which the charity is entitled to the receipt, and the amount can be measured with reasonable certainty. Income is only deferred when the charity has to fulfil conditions before becoming entitled to it or where the donor has specified that the income is to be expended in a future year.

## (d) EXPENDITURE

Expenditure is included on an accruals basis at the time a liability is incurred. VAT is reported as part of the expenditure to which it relates.

## (e) OPERATING LEASES

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor, are charged against income as incurred.

## (f) OPERATING PROPERTIES

The Trustees recognise 3 properties as operating properties. They have been initially recognised at cost and the building proportion is depreciated over 100 years.

## (g) INVESTMENT PROPERTY

The trustees recognise property 40 Melville Drive as an investment property. This is revalued on a yearly basis using a third party source. The difference between the properties value at the year end is adjusted through the statement of financial activities.

## (h) DEPRECIATION

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life as follows:

Office and computer equipment	20% straight line basis
Operating property	2% on property costs only

The charity has a policy to write off any capital items which cost less than £500 in the year in which the expense is incurred

## ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020

## NOTES TO THE ACCOUNTS

## (i) DEBTORS

Debtors are recognised at the settlement amount due after any discount offered.

Prepayments are valued at the amount prepaid net of any trade discounts due.

## (j) CREDITORS

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing any trade discounts due.

## (k) PENSIONS

The Association pays pension contributions for the three Regional Ministers to the Baptist Ministers Pension Trust Limited, which is a final salary defined benefit scheme. The pension charge represents the amounts payable by the Association to the fund in respect of the year.

The scheme can not identify an employer's share of its pension deficit. In 2012, to make up the deficit it was agreed that all employers would contribute to reduce the deficit at an agreed percentage of minimum pensionable income. This liability under FRS 102 is recognised on the Balance Sheet in total, discounted by the rate of return on a AA quality corporate bond. The impact of the discount is unwound each year and debited to finance costs. A estimated liability based on an overall buy out indicates a liability of £127,500.

## 2. GRANTS AND DONATIONS - CURRENT YEAR

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	2020 Total Funds £
Baptist Union Grants	129,335	-	119,386	248,721
Other grants and donations	5,629	3,663	20,723	30,015
Preaching fees and expenses	4,234	-	50	4,284
Ministers Conference	13,190	-	-	13,190
Gift Aid	1,015	-	-	1,015
Training courses	1,240	-	1,337	2,577
	<u>156,643</u>	<u>3,663</u>	<u>141,496</u>	<u>301,802</u>

## GRANTS AND DONATIONS - PRIOR YEAR

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	2019 Total Funds £
Baptist Union Grants	140,873	-	130,037	270,910
Other grants and donations	4,150	112,480	1,894	118,524
Preaching fees and expenses	8,935	-	75	9,010
Ministers Conference	14,005	-	-	14,005
Conferences/Assembly	-	-	245	245
Training courses	5,620	-	-	5,620
	<u>173,583</u>	<u>112,480</u>	<u>132,251</u>	<u>418,314</u>

## ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020

## NOTES TO THE ACCOUNTS

3. INVESTMENT INCOME - CURRENT YEAR		Unrestricted Funds £	Designated Funds £	Restricted Funds £	2020 Total Funds £
Bank interest		9,276	-	-	9,276
Baptist Insurance Company		601	201	-	802
Property rental		32,553	-	-	32,553
		<u>42,430</u>	<u>201</u>	<u>-</u>	<u>42,631</u>
INVESTMENT INCOME - PRIOR YEAR		Unrestricted Funds £	Designated Funds £	Restricted Funds £	2019 Total Funds £
Bank interest		8,353	2	-	8,355
Baptist Insurance Company		601	200	-	801
Property rental		19,725	-	-	19,725
		<u>28,679</u>	<u>202</u>	<u>-</u>	<u>28,881</u>
4 CHARITABLE ACTIVITIES - CURRENT YEAR		Unrestricted Funds £	Designated Funds £	Restricted Funds £	2020 Total Funds £
Ministry employment costs		112,917	-	-	112,917
expenses		7,872	-	-	7,872
Safeguarding Officer		2,471	-	-	2,471
Manse regular expenses		9,611	-	-	9,611
One off Manse expenses		2,024	-	-	2,024
Manse repairs/services/rental		3,160	-	-	3,160
Mission		5,921	18,500	117,668	142,089
Establishment		9,776	-	83	9,859
Ministers conference		15,475	-	-	15,475
Other expenditure		1,223	-	5,878	7,101
Depreciation		7,400	-	-	7,400
		<u>177,850</u>	<u>18,500</u>	<u>123,629</u>	<u>319,979</u>
Support Costs		Unrestricted Funds £	Designated Funds £	Restricted Funds £	2020 Total Funds £
Company secretary's salary		21,604	-	-	21,604
Company secretary's expenses		543	-	-	543
Independent examiner's fees		1,398	-	-	1,398
Legal and statutory payments		989	-	-	989
		<u>24,534</u>	<u>-</u>	<u>-</u>	<u>24,534</u>
Total Charitable Activities		<u>202,384</u>	<u>18,500</u>	<u>123,629</u>	<u>344,513</u>

## ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020

## NOTES TO THE ACCOUNTS

## 4. CHARITABLE ACTIVITIES - PRIOR YEAR

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	2019 Total Funds £
Ministry employment costs	112,865	-	-	112,865
expenses	26,293	-	375	26,668
Manse regular expenses	7,115	-	-	7,115
One off Manse expenses	33,500	-	-	33,500
Manse repairs/services/rental	8,662	-	-	8,662
Mission	7,416	16,725	111,540	135,681
Establishment	19,555	-	60	19,615
Ministers conference	13,431	-	375	13,806
Other expenditure	11,429	58,333	5,184	74,946
Depreciation	7,400	-	-	7,400
	<u>247,666</u>	<u>75,058</u>	<u>117,534</u>	<u>440,258</u>
Support Costs				
	Unrestricted Funds £	Designated Funds £	Restricted Funds £	2019 Total Funds £
Company secretary's salary	21,122	-	-	21,122
Company secretary's expenses	1,809	-	-	1,809
Independent examiner's fees	1,794	-	-	1,794
Legal and statutory payments	3,677	780	-	4,457
	<u>28,402</u>	<u>780</u>	<u>-</u>	<u>29,182</u>
Total Charitable Activities	<u>276,068</u>	<u>75,838</u>	<u>117,534</u>	<u>469,440</u>

5	TRUSTEE AND STAFF REMUNERATION	2020 £	2019 £
	The staff costs were:		
	Trustees (Regional Ministers) and support staff		
	Salaries	110,400	97,781
	Social security costs	6,411	6,063
	Pension costs	12,045	17,259
		<u>128,856</u>	<u>121,103</u>
	Average weekly number of staff employed during the year:		
	Full time	3	3
	Part time	2	1
		<u>5</u>	<u>4</u>

The Regional Ministers are also Trustees of the Association, Elizabeth Powney, Nick Lear, Graeme Ross.

## ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020

## NOTES TO THE ACCOUNTS

- 5 TRUSTEE AND STAFF REMUNERATION continued  
No member of staff received remuneration of more than £60,000 during the year.

Three regional Ministers live in properties wholly owned by the Association. The Baptist Union pays market rent to the Association to cover the Station Road Manse.

Expenses totalling £8,909 (2019: £22,284) were reimbursed to the Trustees (regional Ministers and other Trustees).

The Trustees consider they are the key management and the Regional Ministers are remunerated. The total compensation received by key management including benefits is £109,512 (2019: £112,955).

6	NET INCOME FOR THE YEAR	2020 £	2019 £
	Net income for the year is stated after charging:		
	Independent examiner's fees	1,398	1,794

7	TANGIBLE FIXED ASSETS - CURRENT YEAR	Office and computer equipment £	Operating property £	Total £
	<b>COST</b>			
	Balance at 1 January 2020 31st December 2020	3,779	1,104,950	1,108,729
	<b>DEPRECIATION</b>			
	Balance at 1 January 2020	3,779	7,400	11,179
	Depreciation charge	-	7,400	7,400
	Balance at 31 December 2020	3,779	14,800	18,579
	<b>NET BOOK VALUE</b>			
	At 31 December 2020	-	1,090,150	1,090,150
	<b>TANGIBLE FIXED ASSETS - PRIOR YEAR</b>			
	<b>COST</b>			
	Balance at 1 January 2019	3,779	606,950	610,729
	Additions	-	498,000	498,000
	Balance at 31 December 2019	3,779	1,104,950	1,108,729
	<b>DEPRECIATION</b>			
	Balance at 1 January 2019	3,779	-	3,779
	Depreciation charge	-	7,400	7,400
	Balance at 31 December 2019	3,779	7,400	11,179
	<b>NET BOOK VALUE</b>			
	At 31 December 2019	-	1,097,550	1,097,550



## ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020

## NOTES TO THE ACCOUNTS

		Book Value as at 31/12/2020	Book Value as at 31/12/2019
OPERATING PROPERTY NET BOOK VALUE		£	£
46 Churchill Road, Thetford		246,550	248,250
2 Buchanan Gardens, Wickford		352,240	354,620
17 Station Road		491,360	494,680
		<u>1,090,150</u>	<u>1,097,550</u>
8	INVESTMENTS - CURRENT YEAR	Freehold Property £	Unlisted investment £ Total £
	Market value at 1 January 2020	377,000	3,204 380,204
	Market value at 31 December 2020	<u>377,000</u>	<u>3,204</u> <u>380,204</u>
	INVESTMENTS - PRIOR YEAR	Freehold Property £	Unlisted investment £ Total £
	Market value at 1 January 2019	143,100	3,204 146,304
	Revaluation	233,900	- 233,900
	Market value at 31 December 2019	<u>377,000</u>	<u>3,204</u> <u>380,204</u>
	Unlisted investment		2020 2,019
	Baptist Insurance Company shares		£ £
	Loan fund		801 801
	General fund		2,403 2,403
			<u>3,204</u> <u>3,204</u>
9	DEBTORS: Due within one year	2020 2,019	
		£ £	
	Loans to Churches	43,791	57,191
	Prepayments	-	1,224
		<u>43,791</u>	<u>58,415</u>
10	CREDITORS: Due within one year	2020 2,019	
		£ £	
	Trade payables	1,186	1,760
	Accruals	1,350	1,320
	Deferred income Ministers Conference	-	5,710
		<u>2,536</u>	<u>8,790</u>

## ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020

## NOTES TO THE ACCOUNTS

11.	<b>DESIGNATED FUNDS</b>	Brought forward	Income	Expenditure	Movement	Transfers	Carried forward
	<b>- CURRENT YEAR</b>	£	£	£	£	£	£
	Pension Reserve Fund	544,595	3,864	-	3,864	(295,000)	253,459
	Manse Maintenance	2	-	-	-	(2)	-
	Pioneer	-	-	5,000	(5,000)	15,000	10,000
	Mission	8,650	-	13,500	(13,500)	100,002	95,152
		<u>553,247</u>	<u>3,864</u>	<u>18,500</u>	<u>(14,636)</u>	<u>(180,000)</u>	<u>358,611</u>
	<b>DESIGNATED FUNDS</b>	Brought forward	Income	Expenditure	Movement	Transfers	Carried forward
	<b>- PRIOR YEAR</b>	£	£	£	£	£	£
	Pension Reserve Fund	490,246	112,682	58,333	54,349	-	544,595
	Manse Maintenance	2	-	-	-	-	2
	Pioneer	13,426	-	10,000	(10,000)	(3,426)	-
	Mission	19,155	-	7,505	(7,505)	(3,000)	8,650
		<u>522,829</u>	<u>112,682</u>	<u>75,838</u>	<u>36,844</u>	<u>(6,426)</u>	<u>553,247</u>
12.	<b>RESTRICTED FUNDS</b>	Brought forward	Income	Expenditure	Movement	Transfers	Carried forward
	<b>- CURRENT YEAR</b>	£	£	£	£	£	£
	Home Mission Fund	52,832	138,266	108,728	29,538	(10,000)	72,370
	Southminster Fund	60,432	197	9,029	(8,832)	-	51,600
	Lay Ministry Fund	9,985	570	1,260	(690)	-	9,295
	Church of the Year	365	633	1,000	(367)	2	-
	Ministers' Benevolent Fund	3,373	1,260	1,872	(612)	665	3,426
	Ministers Training Fund	12,383	570	1,740	(1,170)	-	11,213
		<u>139,370</u>	<u>141,496</u>	<u>123,629</u>	<u>17,867</u>	<u>(9,333)</u>	<u>147,904</u>
	<b>RESTRICTED FUNDS</b>	Brought forward	Income	Expenditure	Movement	Transfers	Carried forward
	<b>- PRIOR YEAR</b>	£	£	£	£	£	£
	Home Mission Fund	30,256	130,037	100,461	29,576	(7,000)	52,832
	Southminster Fund	71,528	390	11,486	(11,096)	-	60,432
	Lay Ministry Fund	10,735	-	750	(750)	-	9,985
	Church of the Year	400	474	509	(35)	-	365
	Ministers' Benevolent Fund	2,701	1,350	1,678	(328)	1,000	3,373
	Ministers Training Fund	15,033	-	2,650	(2,650)	-	12,383
		<u>130,653</u>	<u>132,251</u>	<u>117,534</u>	<u>14,717</u>	<u>(6,000)</u>	<u>139,370</u>

## ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020

## NOTES TO THE ACCOUNTS

## 12. DESCRIPTION OF RESTRICTED FUNDS

Home Mission Fund - support grants to EBA churches or to special ministries  
 Southminster Fund - training for mentors of newly accredited ministers, gatherings for leaders of small churches.  
 Lay Ministry Training - training grants and support for non-ministerial leaders.  
 Church of the Year - conduit for gifts received. The Fund closed in 2020.  
 Ministers Benevolent Fund - support for church pastors where financial need arises.  
 Ministers Training Fund - combined Accredited Ministers Fund Bursary Fund in 2016.

13. ANALYSIS OF NET ASSETS - CURRENT YEAR	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total Funds £
Tangible fixed assets	1,090,150	-	-	1,090,150
Investments	379,403	801	-	380,204
Net current assets	337,061	357,810	147,904	842,775
Provisions for liabilities and charges	(78,770)	-	-	(78,770)
	<u>1,727,844</u>	<u>358,611</u>	<u>147,904</u>	<u>2,234,359</u>

ANALYSIS OF NET ASSETS - PRIOR YEAR	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total Funds £
Tangible fixed assets	1,097,550	-	-	1,097,550
Investments	379,403	801	-	380,204
Net current assets	147,940	552,446	139,370	839,756
Provisions for liabilities and charges	(83,071)	-	-	(83,071)
	<u>1,541,822</u>	<u>553,247</u>	<u>139,370</u>	<u>2,234,439</u>

## 14. LIABILITY OF THE MEMBERS

The Association is limited by guarantee. In the event of the Association being wound up, the liability of the members is limited to £10.

## 15. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2020 £	2019 £
Net income for the reporting period as per SOFA	(80)	211,655
Adjustments for:		
Dividends, interest and rents from investments	(42,631)	(28,881)
Depreciation	7,400	7,400
Decrease in debtors	14,624	50,565
Increase/(decrease) in creditors	(6,254)	600
Increase/(decrease) in pension provision	(4,301)	(5,837)
Gain/losses on revaluation	-	(233,900)
Net cash used in operating activities	<u>(31,242)</u>	<u>1,602</u>

## ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020

## NOTES TO THE ACCOUNTS

## 16. PENSION SCHEME

The Charity is an employer participating in a pension scheme known as the Baptist Pension Scheme ("the Scheme"). The Scheme is a separate legal entity which is administered by the Pension Trustee (Baptist Pension Trust Limited).

The Ministers are eligible to join the Scheme, which is not contracted out of the State Second Pension.

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 Legal and General Life Assurance Society Limited. In addition, the employer pays a further 4% of Pensionable Income to cover Death in Service Benefits, administration costs, and an associated insurance policy which provides income protection for Scheme members in the event that they are unable to work due to long-term incapacity. This income protection policy has been insured by the Baptist Union of Great Britain with Unum Limited. Members of the Basic Section pay reduced contributions of 5% of Pensionable Income, and their employers also pay a total of 5%.

Benefits in respect of service prior to 1 January 2012 are provided through the Defined Benefit (DB) Plan within the Scheme. The main benefits for pre-2012 service were a defined benefit pension of one eightieth of Final Minimum Pensionable Income for each year of Pensionable Service, together with additional pension in respect of premiums paid on Pensionable Income in excess of Minimum Pensionable Income. 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.

A formal valuation of the Defined Benefit (DB) Plan was performed at 31 December 2019 by a professionally qualified Actuary using the Projected Unit Method. The estimated deficit of the DB Plan at the valuation date was £18 million.

The key financial assumptions underlying the valuations were as follows:

<i>Type of assumption</i>	<i>% pa</i>
RPI price inflation assumption	3.20
CPI price inflation assumption	2.70
Minimum Pensionable Income increases (CPI plus 1.0% pa)	3.20
Assumed investment returns	
- Pre-retirement	2.95
- Post retirement	1.70
Deferred pension increases	
- Pre April 2009	3.20
- Post April 2009	2.50
Pension increases	2.70

## ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020

## NOTES TO THE ACCOUNTS

## 16. PENSION SCHEME continued

The valuation of the DB Plan revealed a deficit of assets compared with the value of liabilities of £18 million (equivalent to a past service funding level of 94%). As a result of the valuation, in addition to the contributions to the DC Plan set out above, it has been agreed to increase the standard rate of deficiency contributions from churches and other employers involved in the DB Plan will remain at 12% of pensionable income and rising in line with pensionable income.

The contributions are based on each church's or other employer's position at March 2015. Some churches and other employers that were only involved in the DB Plan for a short period will pay less than 12%. The Trustees and Council agreed a 50% reduction for all deficiency contributions between July to December 2020.

In addition the Baptist Union agreed to contribute a lump sum of £50,000 by 31st December 2020. The current recovery plan dated 30 September 2020 envisages deficiency contributions continuing until 30th June 2026.

As there are a large number of contributing employers participating in the scheme the charity is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly it was required to charge to the Statement of Financial Activities its annual employer contributions paid which are £21,050 (2019: £23,845) before accounting for movements in provision.

	2020	2019
	£	£
Pension provision	78,770	83,071

The Association has been advised that if the pension scheme was to be bought out then they would be required to pay £127,900.