

# THE LONDON BAPTIST ASSOCIATION

England & Wales · Charity number 1091160

## Details

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Other names	LBA, LONDON BAPTISTS
Status	Registered
Legal form	Charitable company
Company number	<a href="#">04325272</a>
Registered	2002-03-15
Register	<a href="#">View on the Charity Commission register</a>

## Contact

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Website	<a href="http://www.londonbaptist.org.uk">www.londonbaptist.org.uk</a>

## Activities

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

**Activities:** The London Baptist Association seeks to fulfil its purpose through resourcing, supporting and encouraging the life and mission of its member churches.

## Classification

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- **How:** Makes Grants To Individuals, Makes Grants To Organisations, Provides Other Finance, Provides Advocacy/advice/information, Acts As An Umbrella Or Resource Body
- **What:** Religious Activities, Human Rights/religious Or Racial Harmony/equality Or Diversity
- **Who:** Other Charities Or Voluntary Bodies

## Geography

- Throughout London

## Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£1,811,468	£1,671,691	£21,176,495	10
2023-12-31	£2,474,610	£1,568,626	£20,964,977	10
2022-12-31	£4,299,872	£906,777	£19,759,926	11
2021-12-31	£1,128,733	£880,621	£16,593,508	12
2020-12-31	£917,015	£956,570	£15,800,781	12

## Trustees

Name	Role	Appointed
Rev MICHAEL THORNTON	Chair	2023-11-04
Dr Jacqueline McLeod		2024-11-09
Jade Noble		2023-11-04
Marilyn Ross		2024-11-09
Nestor Jose Fernandez Vizcaya		2022-10-08
Norman Philip Kincaid		2024-11-09
Nosayaba Sandra Idehen		2021-03-03
Pastor Mericia Atasha Hedman		2025-11-08
Rev Elaine Youngman		2025-11-08
Rev Philip Edward Barnard		2016-06-20
Sharon Green		2024-11-09

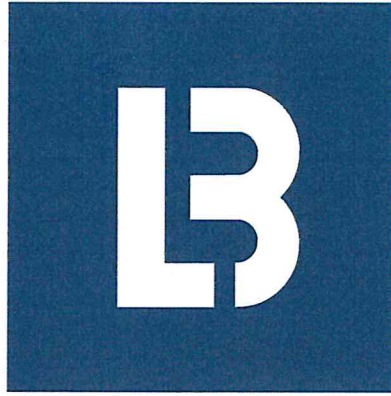
**THE LONDON BAPTIST ASSOCIATION**

England & Wales - Charity number 1091160

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# Accounts

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**THE LONDON BAPTIST ASSOCIATION**  
**REPORT OF THE DIRECTORS**  
**and**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 DECEMBER 2024**

**In membership with the  
Baptist Union of Great Britain**

**Charity Registration No: 1091160**

**Company Number: 04325272**

# THE LONDON BAPTIST ASSOCIATION

## COMPANY INFORMATION

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### DIRECTORS

Mr W Adetunji	Miss J Noble
Mr N P Kincaid (appointed 9 November 2024)	Mrs F Ogunyide (resigned 9 November 2024)
Rev P Barnard	Mrs M Ross (appointed 9 November 2024)
Miss A Buhari (resigned 9 November 2024)	Mr N Sherringham (resigned 9 November 2024)
Rev Dr A Devaraj	Rev Dr M Thornton
Rev N Fernandez	Mrs S Green (appointed 9 November 2024)
Miss N Idehen	Dr J McLeod (appointed 9 November 2024)

### OFFICERS

Moderator  
Regional Minister (Team Leader)

Rev Dr. M. Thornton\*  
Rev P Barnard \*

Regional Minister  
Regional Minister (part-time)  
Regional Minister (part-time)  
Regional Minister  
Regional Minister

Rev H Abdelmasih\*  
Rev W Bygrave\*  
Rev J Kane\*  
Rev L Wright\*  
Rev C Nicholls\*

Honorary Treasurer  
Company Secretary

Mr N P Kincaid  
Mr N Redford\*

The key management personnel (\*) are the Directors, the Regional Minister (Team Leader) together with the other Regional Ministers and the Company Secretary.

### SOLICITORS

Carter Lemon Camerons LLP  
3<sup>rd</sup> Floor  
20 King Street  
London EC2V 8EG

### SURVEYORS

Rapleys LLP  
1 Upper St James Street  
London W1F 9DE

### BANKERS

Barclays Bank plc  
Barclays Commercial Bank  
1 Churchill Place  
London E14 5HP

HSBC Bank plc  
186 Broadway  
Didcot  
Oxfordshire OX11 8RP

### AUDITORS

Xeinadin Audit Limited (formerly JCS Accountants)  
5 Robin Hood Lane  
Sutton  
Surrey SM1 2SW

### INVESTMENT MANAGERS

Rathbones  
8 Finsbury Circus  
London EC2M 7AZ

# **THE LONDON BAPTIST ASSOCIATION**

## **REPORT OF THE BOARD OF DIRECTORS FOR THE YEAR ENDED 31ST DECEMBER 2024**

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The Board of Directors has pleasure in reporting on the Financial Statements for the year ended 31 December 2024, which have been prepared in accordance with the Companies Act 2006, the Charities Act 2011 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)".

### **GOVERNANCE AND MANAGEMENT**

The London Baptist Association (LBA) is a company limited by guarantee and registered in England (number 4352572) and is a registered charity (no 1091160). It was formed in November 2001 and began operating in 2002 when it took over the assets and liabilities of the former unincorporated Association which was formed in 1865. The company is governed by its Memorandum and Articles of Association (revised October 2002, June 2009, June 2010 and July 2016). The board of directors is partly elected or appointed by the member churches and partly co-opted. Baptist churches are admitted into membership by the passing of an ordinary resolution. The directors establish the strategy of the Association, which is implemented by the Regional Ministers, other members of staff, committees and working groups.

The directors of the LBA appoint the directors of the London Baptist Property Board Ltd (a subsidiary company).

### **PRINCIPAL ACTIVITIES AND OBJECTS**

The object of the company is the advancement of Christianity in and through its member churches individually and acting together, in accordance with the principles of the Baptist denomination. The Association is affiliated to the Baptist Union of Great Britain. The company seeks to fulfil its purpose through resourcing, supporting and encouraging the life and mission of its member churches.

The activities of The London Baptist Property Board Limited (LBPB), the subsidiary, are principally to act as the custodian trustee for Baptist churches, to provide loans and to accept deposits to finance the provision of church premises and manses.

### **THE ASSOCIATION'S ACTIVITIES AND PUBLIC BENEFIT**

The Directors are aware of and have had regard to the Charity Commission's published guidance on public benefit. The company serves the public benefit by the advancement of the Christian faith in and through its member churches. The company acts as an umbrella body for its member churches, which are all separate charities, serving the public benefit.

2024 represented a year of consolidation. The new members of the Regional Team appointed in 2023 became fully established in their roles during this time. Their respective roles are described below. Unfortunately, the tenure of Ms. Laura Tomlinson as Association Administrator proved short lived and we bade farewell to her in April. Mr. Nigel Redford was appointed as her successor in July, and he continues to discharge this role to great effect.

In pursuit of its charitable objects, the Association team continues to encourage and support churches and ministers in the pursuit of their own charitable objects. We still are observing our churches recovery from the pandemic. They are generally smaller across the board but with signs of growth also. The challenge for our churches is that not only did many people give up volunteering during the pandemic, many did not return. The 'freedom' that some experienced during the lockdowns has translated, for many attendees, into a permanent arrangement. Likewise, with our older folk gradually departing this world, we are witnessing a substantial reduction in overall numbers. That said though, many churches are seeing new people start attending, come to faith, and numerous baptisms too. It's just that these aspects of growth are far outweighed, in general, by our older members passing away. The Association staff team continues to regularly visit churches and ministers, both individually and in local clusters, for encouragement and advice on a wide range of subjects.

## THE LONDON BAPTIST ASSOCIATION

### REPORT OF THE BOARD OF DIRECTORS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2024 (CONTINUED)

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The staff team also continue to work in a flexible manner: both centrally, and from home. Staff are generally to be found now at the Dock Street offices several days a week, and our premises continue to be used for meetings of all types: both regional and national. A great use of our asset for the benefit of our network of churches both local and national.

Our relationships with churches and ministers remain generally strong. We have built up a significant sense of loyalty and team over the last few years. However, this was placed under extreme stress for the two years from March 2022 beginning with the decision of Baptist Union Council to consider changing the Ministerial Recognition Rules to allow for people in same-sex marriages to be accredited as Baptist Ministers. In short, the Council decided in March 2024 to leave the rules unchanged. Given that London contains a very large proportion of traditionally minded churches on this subject, the outcome was satisfactory for most churches. But the controversial nature of the subject, and lengthy consultation period, has done significant damage to BUGB's reputation. That said, the decision to leave the rules unchanged, may have caused the giving to Home Mission to rebound from an historic low in 2024. It is difficult to speculate but we do know several churches had stopped giving entirely due to this controversy.

In respect of the wider Baptist family, we continue to engage nationally through a process of financial review. This has been a long running project – involving various groups and consultants over recent years – and it is expected that a decision, finally, upon a new financial model and structure will be made during 2025. The Team Leader, Rev. Phil Barnard, is heavily involved in this exercise due to his financial and administrative skills, and also because of his leading the largest association in the country.

Phil, Rev. Claire Nicholls, and Rev. Josh Kane also represents the regional team as directors of the London Baptist Property Board. They provide valuable contributions on individual church situations 'on the ground' for the purposes of buildings developments, loans and trust matters. The Property Board continues to build on its ongoing strategic review. In 2024, we saw successful roadshows begin for churches wanting to improve their understanding of governance and leadership. We also continue to regularly visit churches seeking options for the refurbishment and redevelopment of their buildings.

More broadly, the Regional Team represent the Association in a variety of contexts. The Team Leader continues to represent the Association nationally as part of the Baptists Together Core Leadership Team, and Baptist Union Council. He also moderates the Regional Team Leaders group, and is a member and trustee of the ecumenical London Church Leaders charity. Given that he is approaching nine years in this role, Phil took a much-needed sabbatical break in the Autumn term of 2024.

The Revd. Hany Abdelmasih represents the Association nationally as part of the BUGB Mission Forum and Small Churches Network. He also continued to oversee our Intercessory Prayer Group, Mission Hub, and Chaplains Connect Group, and Refugee Network. Rev. Lucy Wright participates as a member of the National Ministerial Recognition Committee and is also involved in Churches Together in Essex and East London (CTEEL). The Revd. Claire Nicholls represents the Association on the steering group of Churches Together in South London; leads our Justice Hub, is part of the core team of Project Violet, and represents the Baptist Union on the JPIT Strategy and Policy Group. The Revd. Winston Bygrave makes significant contributions in theological and lay training; both within and beyond his geographical pastoral area. The Revd. Josh Kane participates in the National Church Planting Network core group.

In respect of our work amongst Children, Youth and Young Adults, the HEBE Foundation continues to oversee the Youth Forum. In a positive development, our Leadership Year has taken on a new lease of life. After a fallow year, we reshaped the programme around a training course and were glad to welcome five new interns into the team. They are placed in a variety of churches and being mentored by members of the regional ministry team.

Mrs. Rachel Swaby, the LB Safeguarding Lead, continues to provide an excellent support service to our churches in terms of safeguarding cases and training. Her hours were increased in 2023 to 0.8FTE and we could, really, do with someone full time or more. The caseload and requests for training in our churches is

## **THE LONDON BAPTIST ASSOCIATION**

### **REPORT OF THE BOARD OF DIRECTORS FOR THE YEAR ENDED 31ST DECEMBER 2024 (CONTINUED)**

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a monumental task. We are grateful for Rachel's ongoing tenacity and diligence in her service of the Association churches. She continues to work closely with the national team based at Baptist House. Our Association Administrator, Mr Nigel Redford, oversees the administration of the safeguarding training for our churches, which is delivered predominately by volunteers.

#### **LBA Board**

We continue to hold all of our Directors' meetings online and did so throughout 2024.

We are conscious of the financial challenges being discussed by the broader Baptist Family, but we continue to be pleased with our financial position. The Board has improved the income from our investments (property and financial) and the Property Board has continued to be profitable and appropriate a significant sum to our general reserves.

We received the recommendations of the Project Violet report and are committed to implementing various aspects of it throughout association life.

Our AGM was held on the 9<sup>th</sup> November 2024 at Westbourne Park Baptist Church. A good number of folk gathered and a keynote address was given by the former Regional Team Leader of the Association, The Revd. Dr. Pat Took. At the AGM, we were able to appoint four new directors: Mr. Norman Kincaid (Honorary Treasurer), Mrs. Sharon Green, Dr. Jacky McLeod, and Mrs Marilyn Ross. Norman returns to the Association where he was once paid staff, as Association Administrator. And Marilyn returns once again after a sabbatical year, for a third term of office. We bade farewell to Mrs. Fola Ogunyide (Honorary Treasurer) who had faithfully held this role for 11 years, and also Mr. Neil Sherringham and Ms. Amie Buhari. All of these people have helped shaped the Association provision in recent years and we are grateful to all of them for their service. We now have a full complement of Directors.

It was exciting to welcome a new member church at the AGM: Cornerstone Baptist Church. And it was noted that one church had resigned from the Association and Union: Salem Baptist Church in Hillingdon. There were no closures, and thus the membership of the Association remains at 292 churches.

After its closure in July 2023, the former Marks Gate Baptist Church was marketed for sale through 2024, and eventually sold in the early part of 2025. The funds, whilst unrestricted, are earmarked for 'mission' in its broadest sense.

#### **Other significant events**

Our annual Ministers Conference was very well attended, as usual, at High Leigh Conference Centre (Hoddesdon) on 5-7 February. We were pleased to welcome The Revd. Dr. Israel Olofinjana (Evangelical Alliance), and Dr. Eleasah Louis as our keynote speakers. It was an inspiration time looking at intercultural church. We were blessed to have over 130 ministers and guests in attendance and welcomed, for the third year in succession, Steve and Velveta Thompson as our guest worship leaders.

#### **Pensions**

At the end of June 2022 the Baptist Pension Scheme signed an agreement with the insurance company Just Group ('Just') to secure members' pension benefits under the Defined Benefit ('DB') Plan. As a result, the Scheme no longer has a shortfall. A revised statement of contributions was approved with deficit contributions from each participating employer in the DB Plan reducing to just £1 per month from August 2022. These ceased in November 2024, in line with moving to Just Group.

See [www.baptist.org.uk/pensions](http://www.baptist.org.uk/pensions) for more details.

# THE LONDON BAPTIST ASSOCIATION

## REPORT OF THE BOARD OF DIRECTORS FOR THE YEAR ENDED 31ST DECEMBER 2024 (CONTINUED)

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### Future vision

Looking ahead into 2025, the Directors of the Association have outlined several clear objectives.

- To input into the Baptist Union Financial Review, and react accordingly;
- To continue to take forward the Peckham Rye Tabernacle development – a preapplication for planning is now with Southwark Council (as of March 2025);
- Development of a strategy for church planting and replanting opportunities – especially in respect of potential closed sites becoming available;
- To address, along with our national partners, the crisis of a lack of people presenting for accredited ministry;
- To implement the agreed recommendations of Project Violet;
- To encourage our representatives to contribute to topics at national level including the revised funding formula, justice, mission, safeguarding policies, CYF, etc;
- To continue the development of young leaders via the internship programme;
- Continue to support churches as they reimagine church and manage issues in these changing times.

Alongside the tasks and events, the company continued with its core activities. The Association largely fulfils its objects through the work of the LBA Regional Ministry Team. All of the team offers support and encouragement to member churches and have been challenged by several especially difficult situations.

The directors met on six occasions during the year to conduct the business of the LBA, discharge their responsibility for the charity's finances, and oversee the implementation of the agreed strategy. The induction of new directors of the Board was overseen by the Company Secretary, Moderator, and the Team Leader.

The work of the team has been complemented by others who work for the Association in a part-time or voluntary capacity. The District Ministers offered encouragement to fellow ministers in their respective districts and, during the pandemic, online gatherings have increased turnout.

Despite all working from home, the work of the office staff has again been invaluable in furthering the work of the Association. Mr. Nigel Redford, Association Administrator, provided excellent support to member churches, Regional Ministers and directors and has run the Association's administration with calm efficiency having been appointed to the position in succession to Ms. Laura Tomlinson. Laura departed our employment in April, and Nigel took up his role in July.

Ms. Deborah Scott, our Finance Manager, continues to diligently oversee the books of both the Association and Property Board. Her role became full time during 2024.

The Mission Partnership Funding Committee awarded funding to 7 churches, totalling £54,500. Dr. Colin Hicks has responsibility for administering the application process which had included running several workshops to explain the criteria and assessment process.

The Ministerial Recognition Committee met on eight occasions during the year. Eight new candidates were interviewed to become accredited ministers. Six people were also interviewed to become Recognised Local Ministers (new category) of which five were commended. Additionally, seven Newly Accredited Ministers were interviewed at the end of their probationary periods and commended for full accreditation. A further eight NAMs were interviewed to review their mid-term progress.

The key management personnel of the charity as listed on page one are in charge of directing, controlling, running and operating the charity on a day-to-day basis. Details of directors' remuneration, expenses and related party transactions are disclosed in Note 19 to the financial statements.

## THE LONDON BAPTIST ASSOCIATION

### REPORT OF THE BOARD OF DIRECTORS FOR THE YEAR ENDED 31ST DECEMBER 2024 (CONTINUED)

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The pay of senior staff is reviewed annually and normally increased in accordance with average earnings. These awards are decided by the directors but generally follow guidelines from BUGB who decide the standard stipend nationally for Baptist ministers.

The Home Mission appeal in London increased by some 14.9% compared to the previous year, some £61,300 above the combined (donations plus subscriptions) budget target of £470,000. Churches in membership with the LBA contributed £416,238 (2023: £355,026) to the Baptist Union Home Mission Fund appeal and £115,063 (2023: £107,299) from subscriptions to the LBA from member churches. Lower subscription revenue also reflects reduced membership numbers in churches.

### PLANS FOR THE FUTURE

#### ***Changing World Changing Church***

- We continue to consider how we can establish new ways of 'being church'. Much of our work is focused on equipping existing churches to be more missional and outward looking but the desire remains to 'plant' new expressions. The Revd. Josh Kane is part of the 'National Church Planting Network' (convened by Bishop Ric Thorpe and Rev. Alex Harris).
- The redevelopment former site of the Peckham Rye Baptist Tabernacle is taking shape. It is currently in pre-planning with Southwark Council. 45 residential units (about half socially affordable rent) with a community facility underneath. It is hoped that, should planning be achieved, we will develop a 'community chaplaincy' seeking to minister to this new 'parish' which we are building – along with other projects and programmes.
- The Board are also currently considering the support of another church, Bonny Downs BC, in Newham with their building project. We may well elect to 'buy into' the site which requires a cash injection and provide a manse for this innovative, community-based church, which has never had it's own residential property for a minister.

#### ***Project Violet***

- Project Violet, a research project into the experiences of women in Baptist Ministry, published their results in 2024. These were presented to the Board and we are working through various recommendations set out in the report.

#### ***Navigating Leadership***

- The Ministers Conference met again at High Leigh on 10-12 February 2025. The theme was 'Navigating Leadership' and the keynote speakers were The Revd. Lisa Holmes (Baptist Union of Scotland) and Mary Evans (formerly of The London School of Theology). Over 160 people attended across the three days, our largest ever conference, and it was an uplifting and encouraging time.

#### ***Finance & Strategy***

- The Baptist Union continues to explore the 'Financial Model Review' to find a sustainable and visionary future. As the largest association in the country, we provide a key voice in this.
- We continue to support churches through Mission Partnership Grants but we continue to see a lack of applications. At present we only support around six projects and we think the lack of applications reflects a lack of resources in the local church to 'match fund' these projects. We will continue to review this.

### SUMMARY OF FINANCIAL ACTIVITIES FOR THE YEAR

The financial results of the year 2024 are set out in the accompanying financial statements. With regard to the company accounts, there was a positive movement for the year £118,279 (2023: £1,203,251) after revaluation gains of £20,597 (2023: £356,399) taking the total net assets of the LBA, including restricted and endowment funds, to £18,613,032 (2023: £18,494,753). Last year's surplus included £1,000,000 donations of property following the closure of Marks Gate Church.

## THE LONDON BAPTIST ASSOCIATION

### REPORT OF THE BOARD OF DIRECTORS FOR THE YEAR ENDED 31ST DECEMBER 2024 (CONTINUED)

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The Consolidated Statement of Financial Activities consequently shows a positive movement of funds in the year of £211,518 after consolidation adjustments (2023: £1,205,051).

#### *Reserves policy*

The Directors consider the reserves policy annually. It is their intention to maintain a reserve that at a minimum would fund three months operating costs and up to six months operating costs. As at 31 December 2024, the free reserves of LBA (being the company unrestricted fund net current assets and listed investments) were £2,982,957 (2023: £2,978,749). The residual free reserves are considered to be adequate in line with the agreed policy.

The principal source of regular general fund income in 2024 was a fixed sum grant from the Baptist Union. A review of this system is happening and it is anticipated that the funding stream may alter in 2026; one proposal is that Associations retain the amounts donated to the Home Mission Appeal by their member churches and a suitable levy, yet to be agreed, should be paid to central funds. If adopted, this will require careful management as several Associations would be unable to function without additional subsidy. A transitional fund has been set up for 2025 into which this Association has contributed £8,000 from reserves to help. The way forward for 2026 onwards remains unclear.

The directors will also need to fund any expenditure on new projects to enhance the LBA's work which go beyond core activities from reserves. The directors will continue to monitor the level of reserve held and to take decisions on expenditure which balance the needs of the present and the future.

#### *Remuneration of directors*

The Regional Minister Team leader, who has served as a director in 2024, is entitled to receive remuneration from the Association under the terms of the Memorandum of Association. (Details are to be found at note 19.) Otherwise, the directors did not receive any remuneration or benefit in kind from the Association or its subsidiary company the London Baptist Property Board Ltd.

#### *Investment policy*

An ethical investment policy is followed, which was reviewed in recent years resulting in the exclusion of fossil fuel industry companies from our portfolios. The general policy is to deposit day-to-day funds with the London Baptist Property Board Limited. For investments of a more permanent nature, the LBA investment managers are consulted. Regular review meetings are held with the fund manager. Both the General Fund Portfolio (a balanced portfolio to provide income and growth) and the Philpot Trust Portfolio (managed principally to provide growth) performed reasonably well for the period against respective benchmarks. The charity has made such investments to generate a return and has made no social investments

With regard to the LBPB, the directors of the LBPB take a cautious approach to investment, seeking both to safeguard the capital held on behalf of churches and to retain sufficient short-term funds to meet potential demands by depositors or borrowers. With regard to longer term investments, the company holds Charifund income units with the intention of providing both income and capital growth. Investments have also been made in property with the dual aim of assisting the LBA or particular churches and bringing longer-term capital growth for the company. The short-term deposits are currently spread across five financial institutions, with returns being kept under regular review.

#### *Grant making policy*

During the year, grants of £110,487 (2023: £100,735) were made to beneficiaries in accordance with the terms of the fund from which the grant was made. Grants are awarded in response to written applications which are assessed by the Finance Committee. The Committee has regard to the sums requested, project viability and the amounts available for distribution. The directors have delegated powers to the Finance Committee to award grants with a value of up to £5,000; grants in excess of that amount are referred to the directors for a decision with a recommendation from the Finance Committee.

## THE LONDON BAPTIST ASSOCIATION

### REPORT OF THE BOARD OF DIRECTORS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2024 (CONTINUED)

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This figure includes grants made under the Mission Partnership Funding Scheme funded by the national Home Mission Appeal. A separately designated Committee receives vision statements and full applications from member churches and has delegated authority to award funding within an agreed annual budget. Successful applicants must demonstrate the missional nature of their application and can be awarded funding for up to three years, subject to annual review.

#### *Fundraising disclosure*

The Association does not directly get involved in fundraising activities with the general public but encourages all its member churches to contribute to the national Home Mission Appeal managed by the Baptist Union. Support is requested by occasional visiting preachers and by material available via the Baptist Union web site. All Association membership subscriptions from churches are transferred to this national Appeal. A proportion of this Appeal is then allocated to the Association in line with a nationally agreed formula in line with other Associations as core funding and mission funding.

No professional fundraisers or other third parties are engaged and no complaints about our practices have been received. Funds are not sought from outside our own membership.

#### *Risk Management*

The charity trustees acknowledge their responsibility for, and have given consideration to the major risks to which the charity is exposed and satisfied themselves that systems or procedures are established in order to manage and control those risks. The main risks identified and managed are:

- Issues around safeguarding and child protection in our churches are of great importance and carry a high level of potential risk. To this end, the appointment of a Safeguarding Lead was made a few years ago. Extensive training at Levels 2 & 3 is delivered to our ministers and other church leaders using the Baptist Union "Excellence in Safeguarding" material. Regular monitoring of levels of participation and effectiveness of this training takes place. Lines of reporting incidents of risk are clear and understood. Churches are offered clear guidance to write their own safeguarding policies.
- The business of the Association has financial reliance upon its member churches' contributions to the national Home Mission Appeal which is the main income source. As pressure grows on our declining church membership with an ageing demographic, there is a risk that such funding may reduce in coming years. The Appeal is actively promoted by the Association and currently this risk is mitigated by the level of reserves held.
- The Association and its related designated and restricted trust funds carry an investment risk on reserves held. These investments are professionally managed and regularly monitored by other advisers to mitigate the risk. The Association and LBPB have agreed a relatively cautious and ethical agreed investment policy.
- There is a reputational risk to the Association relating to any incidents in our member churches which may be outside our direct control. The enhanced Regional Team is now more actively and pre-emptively engaged in assisting and advising churches on governance, pastoral, safeguarding and other issues to reduce these risks. Suitable trustee/employee indemnity insurance is in place.
- The operational risk of loss of data, computer hacking, cybercrime heightens each year. Upgraded network systems were implemented in tandem with our change of office location. Our support company has noticeably improved the technical aspects of this area and reduced the risk of loss or non-compliance significantly.
- Additional attention is being given to the risk of potential staff burnout by reviewing current supervision and line management procedures in respect of staff welfare.
- Other less serious risks in the areas of governance, finance, operations, compliance and environmental have also been identified and suitable control measures in place, reviewed annually by the trustees.

## THE LONDON BAPTIST ASSOCIATION

### REPORT OF THE BOARD OF DIRECTORS FOR THE YEAR ENDED 31ST DECEMBER 2024 (CONTINUED)

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#### **Statement of Directors' Responsibilities**

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standard (United Kingdom Generally Accepted Accounting Policies).

Company law requires the directors 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 the group and of incoming resources and application of resources, including the income and expenditure of the charitable group for the period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- 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 Association will continue in its activities.

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

The directors are responsible for the maintenance and integrity of the corporate and financial information for the company included on its web-site. Legislation in the United Kingdom governing the preparation and dissemination of financial information may differ from legislation in other jurisdictions.

#### **DISCLOSURE OF INFORMATION TO THE AUDITORS**

To the knowledge and belief of the directors, there is no relevant information that the company's auditors are not aware of, and the directors have taken all the steps necessary to ensure that the directors are aware of any relevant information, and to establish that the company's auditors are aware of this information.

The above report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

BY ORDER OF THE BOARD



Rev Dr. M Thornton  
Moderator  
Unit C2, 15, Dock Street,  
London  
E1 8JN

13 May 2025

# THE LONDON BAPTIST ASSOCIATION

## GENERAL INFORMATION

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### **Designated Funds**

#### *Church Extension and Reconstruction Fund*

This fund was set up to help, by grant or interest-free loan, churches needing to carry out urgent building maintenance. Income is derived from grants from the London Baptist Property Board Limited.

#### *Legacy Reserve Fund*

Unrestricted legacies are placed into this fund and are used for purposes that the Board decides.

#### *Mission Partnership Funding*

This fund holds any unallocated balance of the annual budget received from BUGB for providing Mission Partnership Funding, as administered by the LBA Committee with responsibility for awarding this funding in line with their published criteria. This balance may be carried forward at year end and awarded to suitable applicants in future years.

#### *Thames Gateway Project*

This fund has received donations made by member churches in response to an appeal made in connection with plans to celebrate the third Christian millennium. The proceeds have been used to purchase a property in Britannia village, part of the newly developed Thames Gateway area. The property is used as a base for church planting.

#### *LBA Youth Fund*

This fund was established in response to a donation to the Association to be used for youth work in London. It is hoped that further gifts and grants will be received in future years. The money is available to the Youth Forum to assist in funding its initiatives.

#### *Peckham Rye Fund*

This fund received a one-off donation on the closure of the church in lieu of rent for a retired minister to remain in the manse for five years. The money is designated for future property costs and repairs.

### **Restricted Funds**

#### *J W Beaumont Trust Fund (an endowment fund)*

This fund was established to comply with the wishes of the executors of the estate of the late solicitor to the LBA, J W Beaumont. The main purpose is to assist lay persons with Christian training expenses.

#### *John Bradford Trust*

This trust fund enables permanent loans to be made from the capital, with repayment and interest if the church closes or leaves the Association, and term interest-free loans to be made from income. There is also provision for grants to be made from the income for the support of ministry and those training for ministry and for other charitable work of the Association. To qualify a church must be within a London Borough. Grants were made from this fund to support the safeguarding officer and the Youth worker during the year. These are shown as transfers.

#### *Compassionate Trust Fund*

This fund is financed by appeals to member churches to enable help to be given to ministers and their dependants in special need.

#### *Hounslow Baptist Church Reserve*

This fund was created upon the closure of Broadway Baptist Church, Hounslow in 1978. Loans and grants are made from the fund for the support of ministry (in its widest sense) in the Greater London area. The fund has been supplemented in 2007 by proceeds from the closure of Harmondsworth Baptist Church.

### **Restricted Funds (continued)**

#### *Manse Trust Fund*

This fund was created in 1984 when the Manse of Nunhead Baptist Church was sold, the church having closed in 1965. Additional funds were added during 1992 in connection with the former Haydon Park church in Wimbledon. Loans have been made to churches to help with the purchase of their manses. These loans are repayable with capital appreciation relating to house values at the time of repayment.

#### *T W Philpot Trust*

This derives from the will of the late Thomas W A Philpot and was for making interest-free loans to churches which are erecting new chapels. Such loans will normally amount to no more than 25% of the cost unless the Board of Directors agrees otherwise. The initial capital sum became available in 1956 and a further legacy of properties and investments has since become available following the cessation of a life interest. In 2006, the Charity Commission gave permission for the funds to be used for wider purposes. Interest-free loans can now be made for the building of new churches, the purchase of new buildings by churches and the extension of church premises.

#### *Valley Mission Fund*

This fund derives from the sale of Valley Mission, Biggin Hill. Under the ultimate trust, the income from the invested proceeds is available for evangelistic work in West Kent as decided by the Board of Directors.

#### *Clayhall Fund*

This fund was created through a gift of the now closed Clayhall Baptist Church in Ilford. It is for the support of community projects in deprived areas of London, or to support LBA evangelists and families working in their communities reaching out with the message of salvation through Jesus.

# THE LONDON BAPTIST ASSOCIATION

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE LONDON BAPTIST ASSOCIATION

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### Opinion

We have audited the financial statements of The London Baptist Association (the 'parent charity') and its subsidiary (the 'group') for the year ended 31 December 2024 which comprise the consolidated Statement of Financial Activities, the consolidated and parent Balance Sheets, the consolidated Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and 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 group's and of the parent company's affairs as at 31 December 2024 and of the group's surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

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

### Conclusions relating to going concern

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

### Opinions 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

### Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit: or

# THE LONDON BAPTIST ASSOCIATION

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE LONDON BAPTIST ASSOCIATION

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- the directors 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 directors' report and from the requirement to prepare a strategic report.

### Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors 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 directors 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 directors are responsible for assessing the group's and the parent 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 directors either intend to liquidate the group or the parent 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the company, we identified that the principal risks of non-compliance with laws and regulations related to employment and financial reporting legislation and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and the Charities Act 2011.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by making enquiries of management, considering the internal controls in place and discussion amongst the engagement team.

We determined that the principal risks were related to the management bias in accounting estimates, valuation of properties, the inclusion and treatment of non cash transactions, presentation of separately disclosed items and the management override of controls. In response to the risks identified we designed procedures which included, but were not limited to:

- challenging the significant accounting estimates such as valuation of properties,
- reviewing trustee meeting minutes and enquiring into the occurrence and treatment of non cash transactions,
- agreeing financial statement disclosures to underlying supporting evidence,
- identifying and testing journal entries and
- evaluation the charity's internal controls.

There are inherent limitations in the audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion. A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### Use of our report

This report is made solely to the 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 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



**Miriam Hickson FCA (Senior Statutory Auditor)**  
for and on behalf of Xeinadin Audit Limited  
Statutory Auditor

5 Robin Hood Lane  
Sutton  
Surrey  
SM1 2SW

Dated: 2 June 2025

**THE LONDON BAPTIST ASSOCIATION**

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**

(including Income and Expenditure Account)  
FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	Unrestricted Fund £	Restricted Funds £	Endowment Funds £	2024 £	Unrestricted Fund £	Restricted Funds £	Endowment Funds £	2023 £
<b>Income from:</b>									
Donations and legacies:									
Baptist Union core funding	11	338,468	-	-	338,468	258,784	-	-	258,784
Church contributions		128,189	-	-	128,189	121,565	11,167	-	132,732
Grants	14	128,680	-	-	128,680	1,106,995	-	-	1,106,995
Investments		932,669	98,203	-	1,030,872	719,420	77,968	-	797,388
Charitable activities:									
Loan interest		140,699	-	-	140,699	148,311	-	-	148,311
Preaching Income		4,375	-	-	4,375	5,459	-	-	5,459
Events		23,971	-	-	23,971	23,448	-	-	23,448
Other		16,214	-	-	16,214	1,493	-	-	1,493
<b>Total income</b>		<b>1,713,265</b>	<b>98,203</b>	<b>-</b>	<b>1,811,468</b>	<b>2,385,475</b>	<b>89,135</b>	<b>-</b>	<b>2,474,610</b>
<b>Expenditure on:</b>									
Raising funds									
Investment property management costs	12,13	55,082	6,412	-	61,494	78,701	15,226	-	93,927
Charitable activities									
Support to churches		1,606,017	4,180	-	1,610,197	1,472,494	2,205	-	1,474,699
<b>Total expenditure</b>		<b>1,661,099</b>	<b>10,592</b>	<b>-</b>	<b>1,671,691</b>	<b>1,551,195</b>	<b>17,431</b>	<b>-</b>	<b>1,568,626</b>
Net gains/(losses) on investments		63,210	(10,469)	-	52,741	244,705	77,362	-	322,067
<b>Net income/(expenditure)</b>		<b>115,376</b>	<b>77,142</b>	<b>-</b>	<b>192,518</b>	<b>1,078,985</b>	<b>149,066</b>	<b>-</b>	<b>1,228,051</b>
Transfers between funds		-	-	-	-	8,000	(8,000)	-	-
Gains/(losses) on revaluation of fixed assets	2a	19,000	-	-	19,000	(23,000)	-	-	(23,000)
<b>Net movement in funds</b>		<b>134,376</b>	<b>77,142</b>	<b>-</b>	<b>211,518</b>	<b>1,063,985</b>	<b>141,066</b>	<b>-</b>	<b>1,205,051</b>
<b>Reconciliation of funds</b>									
Funds brought forward		15,352,785	5,609,105	3,087	20,964,977	14,288,800	5,468,039	3,087	19,759,926
<b>Total funds carried forward</b>		<b>15,487,161</b>	<b>5,686,247</b>	<b>3,087</b>	<b>21,176,495</b>	<b>15,352,785</b>	<b>5,609,105</b>	<b>3,087</b>	<b>20,964,977</b>

# THE LONDON BAPTIST ASSOCIATION

## CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2024

	Note	2024		2023	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible fixed assets	2a		7,598,455		7,579,455
Investments	3a		7,237,349		6,176,605
Concessionary loans to churches	4		2,250,111		2,270,530
			<u>17,085,915</u>		<u>16,026,590</u>
<b>CURRENT ASSETS</b>					
Debtors (including £1,514,639 (2023: 1,856,465) recoverable after more than one year)	5a		2,200,261		3,192,389
Assets held for sale	6		972,086		1,000,000
Investments (Short term deposits)			12,967,377		11,235,834
Cash held by stockbrokers			38,508		68,742
Cash at bank			5,907,403		5,049,390
			<u>22,085,635</u>		<u>20,546,355</u>
<b>CREDITORS:</b>					
Amounts falling due within one year	7a		<u>(17,995,055)</u>		<u>(15,607,968)</u>
<b>NET CURRENT ASSETS</b>					
			<u>4,090,580</u>		<u>4,938,387</u>
Total Assets less current liabilities			21,176,495		20,964,977
<b>NET ASSETS</b>					
	18		<u>21,176,495</u>		<u>20,964,977</u>
<b>ENDOWMENT FUNDS</b>					
	9		3,087		3,087
<b>RESTRICTED FUNDS</b>					
	9				
Realised funds			5,009,785		4,785,278
Revaluation reserve	17		676,462		823,827
			<u>5,686,247</u>		<u>5,609,105</u>
<b>UNRESTRICTED FUNDS</b>					
Realised funds – Other funds			13,706,066		13,699,707
Revaluation reserve	17		1,781,095		1,653,078
			<u>15,487,161</u>		<u>15,352,785</u>
			<u>21,176,495</u>		<u>20,964,977</u>

The financial statements were prepared in accordance with the special provisions of the Companies Act 2006 relating to small companies and were approved by the Board of Directors on 13 May 2025 and signed on their behalf:

**Moderator**

**Honorary Treasurer**



Rev Dr M Thornton



Mr N P Kincaid

# THE LONDON BAPTIST ASSOCIATION

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	2024 £	2023 £
<b>Cash provided by/(used in) operating activities</b>	(i)	2,488,120	(183,417)
<b>Cash flows from investing activities</b>			
Dividends, interest and rents from investments		1,030,872	797,388
Purchase of fixed assets		-	(562,725)
Proceeds on sale of investments		496,667	2,052,688
Proceeds from assets held for sale		-	1,265,706
Purchase of investments		(1,470,006)	(658,200)
Net advances of long term loans to churches		13,669	178,912
<b>Cash provided by investing activities</b>		71,202	3,073,769
<b>Increase in cash and cash equivalents in the year</b>		2,559,322	2,890,352
<b>Cash and cash equivalents as at 1 January</b>		16,353,966	13,463,614
<b>Cash and cash equivalents as at 31 December</b>		18,913,288	16,353,966
<b>(i) Reconciliation of net income to cash flows from operating activities</b>			
<b>Net movement in funds</b>		211,518	1,205,051
Depreciation charges		-	3,299
Dividends, interest and rents from investments		(1,030,872)	(797,388)
Property grants in the year		-	(1,000,000)
(Gains)/losses on tangible fixed assets		(19,000)	23,000
Losses/(gains) on assets held for sale		34,664	(265,706)
(Gains) on investment assets		(87,405)	(56,361)
Decrease/(increase) in debtors		992,128	(201,728)
Increase in creditors		2,387,087	906,416
<b>Cash provided by/(used in) operating activities</b>		2,488,120	(183,417)

**THE LONDON BAPTIST ASSOCIATION**

**COMPANY STATEMENT OF FINANCIAL ACTIVITIES**  
(including Income and Expenditure Account)  
FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	Unrestricted Fund	Restricted Funds	Endowment Funds	2024	Unrestricted Fund	Restricted Funds	Endowment Funds	2023
		£	£	£	£	£	£	£	£
<b>Income from:</b>									
Donations and legacies:									
Baptist Union core funding	11	338,468	-	-	338,468	258,784	-	-	258,784
Church contributions		128,189	-	-	128,189	121,565	11,167	-	132,732
Grants		216,788	-	-	216,788	1,126,059	-	-	1,126,059
Investments	14	150,311	98,203	-	248,514	121,015	77,968	-	198,983
Charitable activities:									
Preaching		4,375	-	-	4,375	5,459	-	-	5,459
Events		23,971	-	-	23,971	23,448	-	-	23,448
Other		5,970	-	-	5,970	543	-	-	543
<b>Total income</b>		<b>868,072</b>	<b>98,203</b>	<b>-</b>	<b>966,275</b>	<b>1,656,873</b>	<b>89,135</b>	<b>-</b>	<b>1,746,008</b>
<b>Expenditure on:</b>									
Raising funds									
Investment property management costs		46,434	6,412	-	52,846	68,164	15,226	-	83,390
Charitable activities	12, 13	811,567	4,180	-	815,747	813,561	2,205	-	815,766
Support to churches		858,001	10,592	-	868,593	881,725	17,431	-	899,156
<b>Total expenditure</b>		<b>31,066</b>	<b>(10,469)</b>	<b>-</b>	<b>20,597</b>	<b>279,037</b>	<b>77,362</b>	<b>-</b>	<b>356,399</b>
Net gains/(losses) on investments		41,137	77,142	-	118,279	1,054,185	149,066	-	1,203,251
<b>Net income/(expenditure)</b>		<b>41,137</b>	<b>77,142</b>	<b>-</b>	<b>118,279</b>	<b>1,062,185</b>	<b>141,066</b>	<b>-</b>	<b>1,203,251</b>
Transfers between funds		-	-	-	-	8,000	(8,000)	-	-
Gains on revaluation of fixed assets	2b	-	-	-	-	-	-	-	-
<b>Net movement in funds</b>		<b>41,137</b>	<b>77,142</b>	<b>-</b>	<b>118,279</b>	<b>1,062,185</b>	<b>141,066</b>	<b>-</b>	<b>1,203,251</b>
<b>Reconciliation of funds</b>									
<b>Total funds brought forward</b>		<b>12,882,561</b>	<b>5,609,105</b>	<b>3,087</b>	<b>18,494,753</b>	<b>11,820,376</b>	<b>5,468,039</b>	<b>3,087</b>	<b>17,291,502</b>
<b>Total funds carried forward</b>		<b>12,923,698</b>	<b>5,686,247</b>	<b>3,087</b>	<b>18,613,032</b>	<b>12,882,561</b>	<b>5,609,105</b>	<b>3,087</b>	<b>18,494,753</b>

# THE LONDON BAPTIST ASSOCIATION

COMPANY BALANCE SHEET  
AT 31 DECEMBER 2024

Company number: 04325272

	Note	2024		2023	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible fixed assets	2b		6,665,455		6,665,455
Investments	3b		7,136,726		6,108,126
Concessionary loans to churches	4		2,250,111		2,270,530
			<u>16,052,292</u>		<u>15,044,111</u>
<b>CURRENT ASSETS</b>					
Investments (Deposits with the London Debtors)	5b	1,787,632		2,676,484	
Assets held for sale	6	972,086		1,000,000	
Cash held by stockbrokers		38,508		68,742	
Cash at bank and in hand		30,644		37,994	
		<u>2,951,902</u>		<u>4,212,523</u>	
<b>CREDITORS: AMOUNTS FALLING DUE</b>					
Sundry creditors	7b		<u>(299,578)</u>		<u>(670,297)</u>
<b>NET CURRENT ASSETS</b>			<u>2,652,324</u>		<u>3,542,226</u>
Total Assets less current liabilities			18,704,616		18,586,337
<b>CREDITORS: AMOUNTS FALLING DUE</b>					
Loans from the London Baptist Property	15		(91,584)		(91,584)
<b>NET ASSETS</b>	18		<u><u>18,613,032</u></u>		<u><u>18,494,753</u></u>
<b>REPRESENTED BY FUNDS:</b>					
<b>ENDOWMENT FUNDS</b>					
	9		3,087		3,087
<b>RESTRICTED FUNDS</b>					
Realised funds	9	5,009,785		4,785,278	
Revaluation reserve	17	<u>676,462</u>		<u>823,827</u>	
			5,686,247		5,609,105
<b>UNRESTRICTED FUNDS</b>					
Realised funds – Other funds	8	12,144,862		12,180,598	
Revaluation reserve	17	<u>778,836</u>		<u>701,963</u>	
			<u>12,923,698</u>		<u>12,882,561</u>
			<u><u>18,613,032</u></u>		<u><u>18,494,753</u></u>

Approved by the Board of Directors 13 May 2025 and signed on their behalf:

**Moderator**



Rev Dr M Thornton

**Honorary Treasurer**



Mr N P Kincaid

# THE LONDON BAPTIST ASSOCIATION

## SUMMARY INCOME AND EXPENDITURE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2024

	2024		2023	
	Group £	Company £	Group £	Company £
Income	780,596	717,761	1,677,222	1,547,025
Interest and investment income	1,030,872	248,514	797,388	198,983
Gains on investments	52,741	20,597	322,067	356,399
<b>Gross income in the reporting period</b>	<b>1,864,209</b>	<b>986,872</b>	<b>2,796,677</b>	<b>2,102,407</b>
Expenditure	1,671,691	868,593	1,565,327	895,857
Depreciation	-	-	3,299	3,299
<b>Total expenditure in the reporting</b>	<b>1,671,691</b>	<b>868,593</b>	<b>1,568,626</b>	<b>899,156</b>
<b>Surplus for the year</b>	<b>192,518</b>	<b>118,279</b>	<b>1,228,051</b>	<b>1,203,251</b>

### STATEMENT OF COMPREHENSIVE INCOME

	2024		2023	
	Group £	Company £	Group £	Company £
Surplus for the year	192,518	118,279	1,228,051	1,203,251
Gains/(losses) on revaluation of fixed assets	19,000	-	(23,000)	-
Comprehensive income for the year	211,518	118,279	1,205,051	1,203,251

**1 ACCOUNTING POLICIES**

The London Baptist Association (LBA) is a company limited by guarantee and registered in England (number 4352572) and is a registered charity (no 1091160). Its registered address is: Unit C2, 15 Dock Street, London E1 8JN.

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

**1.1 Accounting convention**

The financial statements have been prepared under the Companies Act 2006, the Charities Act 2011 and in accordance with the Charities Statement of Recommended Practice (Charities SORP (FRS 102)) and Financial Reporting Standard 102 (FRS 102). The accounts are prepared under the historical cost convention as modified by the revaluation of properties and investments. The financial statements are prepared in pounds sterling rounded to the nearest pound.

The accounts include the results of the company's subsidiary, The London Baptist Property Board Limited. The results have been consolidated on a line by line basis.

The London Baptist Association meets the definition of a public benefit entity under FRS 102. The charity is a company limited by guarantee, incorporated in England and Wales.

**1.2 Unrestricted funds**

Unrestricted funds comprise the General fund and Designated funds. Designated funds represent monies which have been allocated for specific purposes by the Association. All Unrestricted fund income is accounted for once the charity has entitlement to the income, it is probable the income will be received and the amount of income receivable can be reliably measured. Unrestricted fund expenditure is accrued as soon as a liability is considered probable, discounted to present value for longer term liabilities.

**1.3 Restricted funds**

These are funds subject to specific conditions as to their use, which are binding on the Association. All Restricted fund income is accounted for at the time of receipt and expenditure accounted for when incurred. Income not expended in the year of receipt is carried forward until it is fully committed.

**1.4 Endowment funds**

Endowment funds represent the permanent capital of certain restricted funds.

**1.5 Properties**

Freehold and leasehold properties, whether shown as tangible fixed assets or investments, have been included at fair value. No depreciation has been charged on those properties held as tangible fixed assets on the basis that the residual value of the properties is so high as to render depreciation immaterial.

**1.6 Computers and equipment**

This is shown at cost and depreciated over 3 years. Equipment with a cost of over £1,000 is capitalised.

**1.7 Pension schemes**

The company contributes to defined benefit pension schemes. The assets of the schemes are held separately from those of the company and contributions are accounted for when due.

**1.8 Investments**

Quoted investments are stated at fair value. An unquoted investment is stated at a valuation of the Finance Committee. Unrealised gains or losses in the year are reported in the statement of financial activities. Investments in subsidiaries are shown at cost. Where the Charity has initiated a plan to sell an asset and the sale is probable within one year, the asset held for sale is shown at the lower of the carrying amount and its fair value less costs to sell.

**1.9 Debtors**

Trade debtors and other debtors are included at the settlement amount due. Prepayments are valued at the amount prepaid.

**1.10 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 opening of the deposit.

# THE LONDON BAPTIST ASSOCIATION

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

### 1.11 Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation arising 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 recognised at their settlement amount.

### 1.12 Financial instruments

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

### 1.13 Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

### 1.14 Income

Income, including grants, is recognised when the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

### 1.15 Expenditure

Expenditure is recognised as soon as an outflow of economic benefit is probable, settlement will be required and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis.

Grants and donations are accounted for when paid over, or when awarded, if that award creates a binding obligation on the charity.

## 2a TANGIBLE FIXED ASSETS – GROUP

	Freehold Properties £	Leasehold Properties £	Computers and Equipment £	Total £
<b>Cost or valuation</b>				
1 January 2024	5,759,213	1,820,242	40,336	7,619,791
Additions	-	-	-	-
Disposals	-	-	-	-
Revaluation surplus	19,000	-	-	19,000
31 December 2024	<u>5,778,213</u>	<u>1,820,242</u>	<u>40,336</u>	<u>7,638,791</u>
<b>Depreciation</b>				
1 January 2024	-	-	40,336	40,336
Charge for the year	-	-	-	-
Released on disposal	-	-	-	-
31 December 2024	<u>-</u>	<u>-</u>	<u>40,336</u>	<u>40,336</u>
<b>Net Book Value</b>				
31 December 2024	<u>5,778,213</u>	<u>1,820,242</u>	<u>-</u>	<u>7,598,455</u>
31 December 2023	<u>5,759,213</u>	<u>1,820,242</u>	<u>-</u>	<u>7,579,455</u>
<b>Historical cost for land and buildings</b>				
31 December 2024	<u>5,276,020</u>	<u>1,820,242</u>		<u>7,096,262</u>
31 December 2023	<u>5,276,020</u>	<u>1,820,242</u>		<u>7,096,262</u>

The properties were last valued by the directors at 31st December 2024 on the basis of fair value. The valuations were made on the basis of information provided by Rapleys, who are professional surveyors.

# THE LONDON BAPTIST ASSOCIATION

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

### 2b TANGIBLE FIXED ASSETS – COMPANY

	Freehold Properties £	Leasehold Properties £	Computers and Equipment £	Total £
<b>Cost or valuation</b>				
1 January 2024	4,845,213	1,820,242	34,601	6,700,056
Additions	-	-	-	-
Disposals	-	-	-	-
Revaluation surplus/(deficit)	-	-	-	-
31 December 2024	<u>4,845,213</u>	<u>1,820,242</u>	<u>34,601</u>	<u>6,700,056</u>
<b>Depreciation</b>				
1 January 2024	-	-	34,601	34,601
Charge for the year	-	-	-	-
Released on disposal	-	-	-	-
31 December 2024	<u>-</u>	<u>-</u>	<u>34,601</u>	<u>34,601</u>
<b>Net Book Value</b>				
31 December 2024	<u>4,845,213</u>	<u>1,820,242</u>	<u>-</u>	<u>6,665,455</u>
31 December 2023	<u>4,845,213</u>	<u>1,820,242</u>	<u>-</u>	<u>6,665,455</u>
<b>Historical cost for land and buildings</b>				
31 December 2024	<u>4,401,020</u>	<u>1,820,242</u>		<u>6,221,262</u>
31 December 2023	<u>4,401,020</u>	<u>1,820,242</u>		<u>6,221,262</u>

### 3a INVESTMENTS – GROUP

	Listed investments £	Other investments £	Freehold investment properties £	Total £
<b>Valuation</b>				
1 January 2024	2,010,966	197,309	3,968,330	6,176,605
Additions	371,222	-	1,098,784	1,470,006
Disposals	(348,473)	-	(161,961)	(510,434)
Revaluation surplus	75,394	5,144	20,634	101,172
31 December 2024	<u>2,109,109</u>	<u>202,453</u>	<u>4,925,787</u>	<u>7,237,349</u>
<b>Historical Cost</b>				
31 December 2024	<u>1,846,506</u>	<u>149,805</u>	<u>3,285,674</u>	<u>5,281,985</u>
31 December 2023	<u>1,821,199</u>	<u>149,805</u>	<u>2,211,890</u>	<u>4,182,894</u>

The properties were last valued by the directors at 31st December 2024 on the basis of fair value. The valuations were made on the basis of information provided, according to the locality of the properties, by: Rapleys, who are professional surveyors.

All assets are held in the UK.

The listed investment portfolio comprises investments in British Government Stocks, UK quoted and unquoted equities and unit trust investments.

# THE LONDON BAPTIST ASSOCIATION

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

### 3b INVESTMENTS – COMPANY

General Fund	Shares in LBPB £	Listed investments £	Freehold investment properties £	Total £
Market value or valuation at 1 January 2024	1,379,330	947,570	1,927,850	4,254,750
Additions	-	161,911	-	161,911
Disposals	-	(152,367)	-	(152,367)
Revaluation surplus	-	26,821	39,150	65,971
Market value or valuation at 31 December 2024	<u>1,379,330</u>	<u>983,935</u>	<u>1,967,000</u>	<u>4,330,265</u>
Historical cost or probate value at 31 December 2024	<u>1,379,330</u>	<u>918,661</u>	<u>1,697,630</u>	<u>3,995,621</u>
31 December 2023	<u>1,379,330</u>	<u>920,020</u>	<u>1,697,630</u>	<u>3,996,980</u>

The company holds 100% of the 'A' shares in its subsidiary, The London Baptist Property Board Limited.

Restricted and Endowment Funds	Listed investments £	Freehold investment properties £	Total £
Market value or valuation at 1 January 2024	1,063,396	789,980	1,853,376
Additions	209,311	1,098,784	1,308,095
Disposals	(196,106)	(161,961)	(358,067)
Revaluation surplus/(deficit)	48,573	(45,516)	3,057
Market value or valuation on 31 December 2024	<u>1,125,174</u>	<u>1,681,287</u>	<u>2,806,461</u>
Historical cost or probate value at 31 December 2024	<u>927,845</u>	<u>1,202,154</u>	<u>2,129,999</u>
Historical cost or probate value at 31 December 2023	<u>901,179</u>	<u>128,370</u>	<u>1,029,549</u>

TOTAL	Shares in LBPB £	Listed investments £	Freehold investment properties £	Total £
Market value or valuation at 1 January 2024	1,379,330	2,010,966	2,717,830	6,108,126
Additions	-	371,222	1,098,784	1,470,006
Disposals	-	(348,473)	(161,961)	(510,434)
Revaluation surplus/(deficit)	-	75,394	(6,366)	69,028
Market value or valuation at 31 December 2024	<u>1,379,330</u>	<u>2,109,109</u>	<u>3,648,287</u>	<u>7,136,726</u>
Historical cost or probate value at 31 December 2024	<u>1,379,330</u>	<u>1,846,506</u>	<u>2,899,784</u>	<u>6,125,620</u>
31 December 2023	<u>1,379,330</u>	<u>1,821,199</u>	<u>1,826,000</u>	<u>5,026,529</u>

# THE LONDON BAPTIST ASSOCIATION

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

### 4 LOANS TO CHURCHES – GROUP AND COMPANY

	Designated Fund £	Restricted and Endowment Funds £	2024 Total £	Designated Fund £	Restricted and Endowment Funds £	2023 Total £
Permanent loans	20,540	563,099	583,639	21,010	568,699	589,709
Fixed loans	-	1,666,472	1,666,472	1,750	1,679,071	1,680,821
	<u>20,540</u>	<u>2,229,571</u>	<u>2,250,111</u>	<u>22,760</u>	<u>2,247,770</u>	<u>2,270,530</u>

Permanent loans are repayable on closure, withdrawal or sale of the site and are in most cases interest-free. Fixed-term loans are interest-free. These loans are predominantly payable after more than one year.

The group has the following capital commitments at 31 December:

	2024 £	2023 £
Loan facilities approved but not yet taken up	-	-

### 5a DEBTORS – GROUP

	2024 £	2023 £
Advances (financial assets measured at amortised cost)	1,900,048	2,654,371
Short-term loan	-	401,218
Prepayments and sundry debtors	74,842	27,008
Accrued income	225,371	109,792
	<u>2,200,261</u>	<u>3,192,389</u>

### 5b DEBTORS – COMPANY

	2024 £	2023 £
Short-term loan	-	401,218
Prepayments and sundry debtors	70,842	24,080
Accrued income	52,190	4,005
	<u>123,032</u>	<u>429,303</u>

### 6 ASSETS HELD FOR SALE – GROUP and COMPANY

	2024 £	2023 £
Property held for sale – Mark's Gate Church	972,086	1,000,000

### 7a CREDITORS – GROUP

	2024 £	2023 £
Amounts falling due within one year		
7 day notice deposits and interest accrued	17,682,161	14,929,415
Sundry creditors and accruals	312,894	678,553
	<u>17,995,055</u>	<u>15,607,968</u>

### 7b CREDITORS – COMPANY

	2024 £	2023 £
Amounts falling due within one year		
Sundry creditors and accruals	299,578	670,297

**THE LONDON BAPTIST ASSOCIATION**

**NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)**

**8 UNRESTRICTED FUNDS – COMPANY**

2024	Designated Funds						Total Unrestricted Funds £
	Legacy Reserve Fund £	Peckham Rye Fund £	Mission Partnership Fund £	Ch Extn Reconstn Fund £	Thames Gateway Project £	Total Designated Funds £	
Balance at 1 January 2024	14,026	56,839	114,760	51,133	508,416	745,174	12,882,561
Income	50,110	1,025	75,042	1,200	-	127,377	868,072
Expenditure	-	(21,498)	(54,500)	-	-	(75,998)	(858,001)
Net gains/(losses) on investments	-	-	-	(1,750)	-	(1,750)	31,066
Transfers	-	-	-	-	-	-	-
Balance at 31 December 2024	64,136	36,366	135,302	50,583	508,416	794,803	12,923,698

2023	Designated Funds						Total Unrestricted Funds £
	Legacy Reserve Fund £	Peckham Rye Fund £	Mission Partnership Fund £	Ch Extn Reconstn Fund £	Thames Gateway Project £	Total Designated Funds £	
Balance at 1 January 2023	14,026	83,626	124,488	50,045	548,879	821,064	11,820,376
Income	-	2,642	73,302	1,088	-	77,032	1,656,873
Expenditure	-	(29,429)	(83,030)	-	-	(112,459)	(881,725)
Net gains on investments	-	-	-	-	-	-	279,037
Transfers	-	-	-	-	(40,463)	(40,463)	8,000
Balance at 31 December 2023	14,026	56,839	114,760	51,133	508,416	745,174	12,882,561

**THE LONDON BAPTIST ASSOCIATION**

**NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)**

2024	9 RESTRICTED AND ENDOWMENT FUNDS – GROUP AND COMPANY								TOTAL
	JW Beaumont Trust Fund £	John Bradford Trust £	Compass- ionate Trust Fund £	Hounslow BC Reserve £	Clayhall Fund £	Manse Trust Fund £	TW Philpot Trust £	Valley Mission Fund £	
<b>RESTRICTED FUNDS</b>									
Balance at 1 January 2024	6,005	586,276	9,118	88,285	11,167	924,259	3,857,089	126,906	5,609,105
Total income	379	11,079	385	2,788	-	10,981	68,707	3,884	98,203
Total expenditure	-	-	(1,180)	(3,000)	-	-	(6,412)	-	(10,592)
Net gains/(losses) on investments	-	1,248	802	1,480	-	(85,213)	68,370	2,844	(10,469)
Transfers between funds	-	-	-	-	-	-	-	-	-
Balance at 31 December 2024	6,384	598,603	9,125	89,553	11,167	850,027	3,987,754	133,634	5,686,247

2023	
<b>RESTRICTED FUNDS</b>	
Balance at 1 January 2023	5,468,039
Total income	89,135
Total expenditure	(17,431)
Net gains/(losses) on investments	77,362
Transfers between funds	(8,000)
Balance at 31 December 2023	5,609,105

2023	9 RESTRICTED AND ENDOWMENT FUNDS – GROUP AND COMPANY								TOTAL
	JW Beaumont Trust Fund £	John Bradford Trust £	Compass- ionate Trust Fund £	Hounslow BC Reserve £	Clayhall Fund £	Manse Trust Fund £	TW Philpot Trust £	Valley Mission Fund £	
<b>RESTRICTED FUNDS</b>									
Balance at 1 January 2023	6,645	574,636	9,994	80,100	-	917,080	3,766,188	113,396	5,468,039
Total income	360	9,510	536	2,587	11,167	7,179	54,151	3,645	89,135
Total expenditure	(1,000)	-	(1,205)	-	-	-	(15,226)	-	(17,431)
Net gains/(losses) on investments	-	10,130	(207)	5,598	-	-	51,976	9,865	77,362
Transfers between funds	-	(8,000)	-	-	-	-	-	-	(8,000)
Balance at 31 December 2023	6,005	586,276	9,118	88,285	11,167	924,259	3,857,089	126,906	5,609,105

2023	
<b>ENDOWMENT FUNDS</b>	
Deposits with LBPB Limited	3,087

A description of the nature and purpose of each fund and an explanation for the transfers is on pages 10 and 11 of the accounts.

# THE LONDON BAPTIST ASSOCIATION

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

### 10 NET INCOME/(EXPENDITURE) FOR THE YEAR

This is stated after charging:

	2024		2023	
	Group £	Company £	Group £	Company £
Employment costs (see note 13)	399,792	336,268	378,518	317,871
Depreciation	-	-	3,299	279
Auditors' remuneration:				
Audit services	15,800	9,000	15,120	8,400
Preparation of financial statements	9,096	9,096	8,862	8,862

### 11 CHURCH CONTRIBUTIONS – GROUP AND COMPANY

	2024 £	2023 £
Other church contributions	128,189	132,732
	<u>128,189</u>	<u>132,732</u>

### 12 GRANTS

	2024				2023			
	No	Group £	No	Company £	No	Group £	No	Company £
Grants to churches and organisations	8	106,307	8	106,307	14	99,530	14	99,530
Individuals	7	4,180	7	4,180	4	1,205	4	1,205
		<u>110,487</u>		<u>110,487</u>		<u>100,735</u>		<u>100,735</u>

Material grants included above:

	2024 £	2023 £
Agape Centre	7,500	-
Custom House	51,807	-
Deep Water Baptist Church	-	1,750
Hebe Foundation	-	10,000
International Praise Centre	-	12,000
London Turning	13,250	12,375
Mill Hill East Baptist Church	11,000	13,250
Old Lodge Lane Baptist Church	-	10,000
Peckham Park Rd	2,000	-
Pinner FC	1,750	2,000
Regents Park College	-	500
River Tree	-	5,000
Shoreditch Tabernacle	12,000	13,000
South Wales Baptist College	-	1,000
Stoke Newington Baptist Church	-	1,655
The Northern Baptist Association	-	10,000
Third Space Ministries	7,000	7,000
	<u>106,307</u>	<u>99,530</u>

# THE LONDON BAPTIST ASSOCIATION

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

### 13 SUPPORT TO CHURCHES

	2024		2023	
	Group £	Company £	Group £	Company £
Employment costs:				
Salaries	331,809	279,121	322,035	271,491
National Insurance – employers	28,921	23,354	25,053	19,959
Pension contributions – employers	39,062	33,793	31,430	26,421
	<u>399,792</u>	<u>336,268</u>	<u>378,518</u>	<u>317,871</u>
Printing and stationery	1,823	1,823	1,460	1,426
Postage and telephone	14,640	12,597	13,893	11,927
Premises costs	76,213	104,914	130,039	160,333
Professional fees	68,620	29,390	41,805	9,582
Committee and conference expenses	35,886	35,227	36,119	35,520
Computer and office equipment	10,043	7,779	14,838	12,283
Travel expenses	23,576	21,298	21,654	20,242
Subscriptions	4,910	4,910	4,652	4,652
Bank charges	1,180	-	1,030	1,105
Depreciation	-	290	3,299	279
Loan interest	703,697	-	580,908	3,299
Contributions to BUGB Home Mission	123,064	123,064	109,800	109,800
Grants (note 12)	110,487	110,487	100,735	100,735
Sundry expenses	20,466	18,700	20,829	18,312
Governance costs – auditors remuneration	15,800	9,000	15,120	8,400
	<u>1,610,197</u>	<u>815,747</u>	<u>1,474,699</u>	<u>815,766</u>

The average number of employees during the year was 10 (2023: 11). No employee earned £60,000 or more during the year (2023: none). Included in staff costs are £nil of redundancy costs (2023: £nil).

### 14 INVESTMENT INCOME

	2024		2023	
	Group £	Company £	Group £	Company £
Rent from investment properties	116,371	103,321	74,775	63,217
Dividends	79,669	67,294	88,700	76,944
Interest on short term deposits	834,832	77,899	633,913	58,822
	<u>1,030,872</u>	<u>248,514</u>	<u>797,388</u>	<u>198,983</u>

### 15 LIABILITIES FALLING DUE AFTER MORE THAN ONE YEAR

Repayment of the loans from the London Baptist Property Board Limited is only due on disposal of the relevant properties. Interest is payable at the current rate charged by the London Baptist Property Board Limited.

### 16 MEMBERS

The company is limited by guarantee. The liability of the members is limited to £1 on the winding up of the company. The number of member churches at 31 December 2024 was 292.

**THE LONDON BAPTIST ASSOCIATION**

**NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)**

**17 REVALUATION RESERVE**

	<b>Investment Properties</b>	<b>Investments</b>	<b>Freehold Properties</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>2024 GROUP</b>				
Balance at 1 January 2024	1,756,440	237,272	483,193	2,476,905
Unrealised gains on revaluations	20,634	80,538	19,000	120,172
Realised (losses) in the year	(136,961)	(2,559)	-	(139,520)
Balance at 31 December 2024	<u>1,640,113</u>	<u>315,251</u>	<u>502,193</u>	<u>2,457,557</u>

	<b>Investment Properties</b>	<b>Investments</b>	<b>Freehold Properties</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>2024 COMPANY</b>				
Balance at 1 January 2024	891,830	189,767	444,193	1,525,790
Unrealised gains/(losses) on revaluations	(6,366)	75,394	-	69,028
Realised (losses) in the year	(136,961)	(2,559)	-	(139,520)
Balance at 31 December 2024	<u>748,503</u>	<u>262,602</u>	<u>444,193</u>	<u>1,455,298</u>

	<b>Investment Properties</b>	<b>Investments</b>	<b>Freehold Properties</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>2023 GROUP</b>				
Balance at 1 January 2023	2,129,038	218,957	506,193	2,854,188
Unrealised (losses)/gains on revaluations	(31,500)	58,751	(23,000)	4,251
Realised (losses) in the year	(341,098)	(40,436)	-	(381,534)
Balance at 31 December 2023	<u>1,756,440</u>	<u>237,272</u>	<u>483,193</u>	<u>2,476,905</u>

	<b>Investment Properties</b>	<b>Investments</b>	<b>Freehold Properties</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>2023 COMPANY</b>				
Balance at 1 January 2023	891,830	166,703	444,193	1,502,726
Unrealised gains on revaluations	-	63,500	-	63,500
Realised (losses) in the year	-	(40,436)	-	(40,436)
Balance at 31 December 2023	<u>891,830</u>	<u>189,767</u>	<u>444,193</u>	<u>1,525,790</u>

**THE LONDON BAPTIST ASSOCIATION**

**NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)**

**18 ANALYSIS OF NET ASSETS BETWEEN FUNDS**

<b>2024 GROUP</b>	<b>Tangible fixed assets £</b>	<b>Investments £</b>	<b>Loans to churches £</b>	<b>Net current assets £</b>	<b>Total £</b>
<b>Endowment Funds</b>	-	-	-	3,087	3,087
<b>Restricted Funds</b> (per note 9)	-	2,806,461	2,229,571	650,215	5,686,247
<b>Unrestricted Funds</b>					
Designated Funds	600,000	-	20,540	193,263	813,803
General Fund	6,998,455	4,430,888	-	3,244,015	14,673,358
	<u>7,598,455</u>	<u>7,237,349</u>	<u>2,250,111</u>	<u>4,090,580</u>	<u>21,176,495</u>

<b>2024 COMPANY</b>	<b>Tangible fixed assets £</b>	<b>Investments £</b>	<b>Loans to churches £</b>	<b>Net current assets £</b>	<b>Long Term Liabilities £</b>	<b>Total £</b>
<b>Endowment Funds</b>	-	-	-	3,087	-	3,087
<b>Restricted Funds</b> (per note 9)	-	2,806,461	2,229,571	650,215	-	5,686,247
<b>Unrestricted Funds</b>						
Designated Funds	600,000	-	20,540	265,847	(91,584)	794,803
General Fund	6,065,455	4,330,265	-	1,733,175	-	12,128,895
	<u>6,665,455</u>	<u>7,136,726</u>	<u>2,250,111</u>	<u>2,652,324</u>	<u>(91,584)</u>	<u>18,613,032</u>

<b>2023 GROUP</b>	<b>Tangible fixed assets £</b>	<b>Investments £</b>	<b>Loans to churches £</b>	<b>Net current assets £</b>	<b>Total £</b>
<b>Endowment Funds</b>	-	-	-	3,087	3,087
<b>Restricted Funds</b> (per note 9)	-	1,853,376	2,247,770	1,507,959	5,609,105
<b>Unrestricted Funds</b>					
Designated Funds	600,000	-	22,760	99,414	722,174
General Fund	6,979,455	4,323,229	-	3,327,927	14,630,611
	<u>7,579,455</u>	<u>6,176,605</u>	<u>2,270,530</u>	<u>4,938,387</u>	<u>20,964,977</u>

# THE LONDON BAPTIST ASSOCIATION

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

### 18 ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)

2023 COMPANY	Tangible fixed assets £	Investments £	Loans to churches £	Net current assets £	Long Term Liabilities £	Total £
Endowment Funds	-	-	-	3,087	-	3,087
Restricted Funds (per note 9)	-	1,853,376	2,247,770	1,507,959	-	5,609,105
Unrestricted Funds						
Designated Funds	600,000	-	22,760	213,998	(91,584)	745,174
General Fund	6,065,455	4,254,750	-	1,817,182	-	12,137,387
	<u>6,665,455</u>	<u>6,108,126</u>	<u>2,270,530</u>	<u>3,542,226</u>	<u>(91,584)</u>	<u>18,494,753</u>

### 19 DIRECTORS AND RELATED PARTY TRANSACTIONS

2 directors (2023: 3) were reimbursed travel expenses of £1,730 (2023: £3,161).

Rev P Barnard, a director, received emoluments of £47,565 (2023: £43,980), pension contributions of £5,060 (2023: £4,361) and was provided with accommodation costing £36,000 (2023: £36,000) as permitted by the Memorandum of Association.

Retirement benefits are accruing to 1 (2023: 1) director under money purchase and defined benefit schemes.

The total employee benefits of the key management personnel of the charity were £195,616 (2023: £220,628).

### 20 INVESTMENTS IN SUBSIDIARIES

The London Baptist Association holds all of the 411 'A' voting shares in the London Baptist Property Board Ltd and 683 non-voting 'B' shares. The London Baptist Property Board Ltd serves the work of the Association by acting as holding trustee for the majority of the churches in membership with the Association and by offering a facility for deposit and loan fund accounts. The LBPB is a company, number 88218 and a registered charity number 249768. Its registered address is: Unit C2, 15 Dock Street, London E1 8JN.

Shareholder funds in the London Baptist Property Board Ltd at 31 December 2024 were £3,931,156 (2023: £3,837,915).

A summary of income and expenditure is as follows:

	2024 £	2023 £
Income	1,049,779	874,362
Expenditure	(1,007,682)	(815,230)
Net expenditure before revaluations	42,097	59,132
Gains/(losses) on revaluations and disposals of fixed and investment assets	51,144	(57,332)
Net movement in funds	<u>93,241</u>	<u>1,800</u>

The subsidiary has been included in the consolidated accounts.

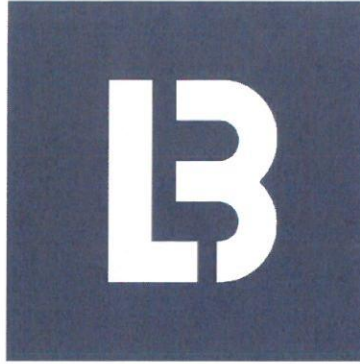
**THE LONDON BAPTIST ASSOCIATION**

England & Wales - Charity number 1091160

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# Accounts

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**THE LONDON BAPTIST ASSOCIATION**  
**REPORT OF THE DIRECTORS**  
**and**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 DECEMBER 2023**

**In membership with the  
Baptist Union of Great Britain**

**Charity Registration No: 1091160**

**Company Number: 04325272**

# THE LONDON BAPTIST ASSOCIATION

## COMPANY INFORMATION

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### DIRECTORS

Mr W Adetunji	Miss J Noble (appointed 4 November 2023)
Rev A Afriyie (resigned 4 November 2023)	Mrs F Ogunyide
Rev P Barnard	Mrs M Ross (resigned 4 November 2023)
Miss A Buhari	Mr N Sherringham
Rev Dr A Devaraj	Rev Dr M Thornton (appointed 4 November 2023)
Rev N Fernandez	Rev L Wright (resigned 14 March 2023)
Miss N Idehen	

### OFFICERS

Moderator  
Regional Minister (Team Leader)

Rev Dr M Thornton\*  
Rev P Barnard \*

Regional Minister  
Regional Minister (part-time)  
Regional Minister (part-time)  
Regional Minister  
Regional Minister

Rev H Abdelmasih\*  
Rev W Bygrave\*  
Rev J Kane\*  
Rev L Wright\*  
Rev C Nicholls\*

Honorary Treasurer  
Company Secretary

Mrs F Ogunyide  
(Vacant)

The key management personnel (\*) are the Directors, the Regional Minister (Team Leader) together with the other Regional Ministers and the Company Secretary.

### SOLICITORS

Carter Lemon Camerons LLP  
3<sup>rd</sup> Floor  
20 King Street  
London EC2V 8EG

### SURVEYORS

Rapleys LLP  
66 St James' Street  
London SW1A 1NE

### BANKERS

Barclays Bank plc  
Barclays Commercial Bank  
1 Churchill Place  
London E14 5HP

HSBC Bank plc  
186 Broadway  
Didcot  
Oxfordshire OX11 8RP

### AUDITORS

Jacob Cavenagh & Skeet  
5 Robin Hood Lane  
Sutton  
Surrey SM1 2SW

### INVESTMENT MANAGERS

Rathbones  
8 Finsbury Circus  
London EC2M 7AZ

## **THE LONDON BAPTIST ASSOCIATION**

### **REPORT OF THE BOARD OF DIRECTORS FOR THE YEAR ENDED 31ST DECEMBER 2023**

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The Board of Directors has pleasure in reporting on the Financial Statements for the year ended 31 December 2023, which have been prepared in accordance with the Companies Act 2006, the Charities Act 2011 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)".

#### **GOVERNANCE AND MANAGEMENT**

The London Baptist Association (LBA) is a company limited by guarantee and registered in England (number 4352572) and is a registered charity (no 1091160). It was formed in November 2001 and began operating in 2002 when it took over the assets and liabilities of the former unincorporated Association which was formed in 1865. The company is governed by its Memorandum and Articles of Association (revised October 2002, June 2009, June 2010 and July 2016). The board of directors is partly elected or appointed by the member churches and partly co-opted. Baptist churches are admitted into membership by the passing of an ordinary resolution. The directors establish the strategy of the Association, which is implemented by the Regional Ministers, other members of staff, committees and working groups.

The directors of the LBA appoint the directors of the London Baptist Property Board Ltd (a subsidiary company).

#### **PRINCIPAL ACTIVITIES AND OBJECTS**

The object of the company is the advancement of Christianity in and through its member churches individually and acting together, in accordance with the principles of the Baptist denomination. The Association is affiliated to the Baptist Union of Great Britain. The company seeks to fulfil its purpose through resourcing, supporting and encouraging the life and mission of its member churches.

The activities of The London Baptist Property Board Limited (LBPB), the subsidiary, are principally to act as the custodian trustee for Baptist churches, to provide loans and to accept deposits to finance the provision of church premises and manses.

#### **THE ASSOCIATION'S ACTIVITIES AND PUBLIC BENEFIT**

The Directors are aware of and have had regard to the Charity Commission's published guidance on public benefit. The company serves the public benefit by the advancement of the Christian faith in and through its member churches. The company acts as an umbrella body for its member churches, which are all separate charities, serving the public benefit.

2023 represented a year of substantial change for the Association team. We bade farewell to four key members of staff: The Revd. Lee Johnson, The Revd. Carol Bostridge, Mr. Norman Kincaid, and Mr. Pete Herbert-James. Lee was appointed as Ministries Co-Team Leader at Baptist House starting in January, concluding his four-year role with the Regional Ministry team; similarly, Carol retired as Regional Minister in July, and Norman retired in August; concluding his twelve years of faithful service as Association Administrator and Company Secretary. Pete also concluded his significant ministry with the Association as CYF Lead in the latter part of 2023 as he began to seek settlement following a course of study at Cardiff Baptist College. We place on record our thanks to these four individuals and their committed service of the churches across London.

With these substantial departures, we welcomed several new members of staff. The changes to the regional team saw the arrivals of three new members of staff: The Revd. Claire Nicholls (formerly minister of New Addington Baptist Church); The Revd. Lucy Wright (formerly minister of Eltham Park Baptist Church); and The Revd. Josh Kane (currently also minister of Mill Hill East Church). Claire and Lucy began full-time roles with the Association in April, with Josh part-time in March, remaining in post at his current church, alongside his wife, Rachel.

## THE LONDON BAPTIST ASSOCIATION

### REPORT OF THE BOARD OF DIRECTORS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2023 (CONTINUED)

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Norman's retirement left a substantial gap to fill in our organisation. Through a recruitment process, we appointed Ms. Laura Tomlinson as his successor. Laura began work alongside Norman in July – with a lengthy handover period. Unfortunately, Laura's time with us proved short-lived, and she departed her position in April 2024. We are thus facing another recruitment process.

In pursuit of its charitable objects, the Association team continues to encourage and support churches and ministers in these uncertain and changed times. Since COVID, our churches have been largely diminished in attendance and that continues to be a challenge for ministers across the Capital. Yes, there are great examples of innovation and growth, but 'institutional Christianity' is something which is in profound decline across the UK. We have realised that COVID was the trigger for the demographic timebomb (our overwhelming dependence on those from the 'Boomer' and 'Builder' generations) to detonate. Many congregants have simply not 'come back' and many have also moved out of the Capital. With the stress and mental health challenges facing society, the need continues to be felt. The Association staff team continues to regularly visit churches and ministers, both individually and in local clusters, for encouragement and advice.

The Association staff team continues to work in a flexible manner: both centrally, and from home. Staff are generally to be found now at the Dock Street offices most Tuesdays, and our building is being used for meetings of all types: both regional and national. A great use of our asset for the benefit of our network of churches.

Our relationships with churches and ministers continues to remain largely strong and steadfast due to the commitment of the Regional Team to the service of our churches. However, the continued tensions within the Baptist Union over the proposed change to the Ministerial Recognition Rules brought to BUGB Council in March 2022 have put us in a very difficult position. At that Council, it was suggested that the rules be changed to allow people in same-sex marriages to be accredited as Baptist Ministers. This has caused substantial theological tension across our national movement, and the matter is shortly to be resolved at the March 2024 Council. London Baptists represents one of the most orthodox or traditional groups of churches in the country and the Regional Team have been hard pressed to demonstrate our support to our member churches in the face of this current uncertainty. That said, we have seen churches reduce their giving to Home Mission because of this controversy. Since before the pandemic, we have seen the giving to the national appeal reduce by 25%. Some of these issues can be ascribed to reduced church attendance, but we are confident that some of these reductions are linked to disagreements over the current theological tensions. The Baptist Union are currently considering substantial reorganisation through the 'Financial Model Review' (previously involving Tricordant, a management consultancy).

The Revd. Phil Barnard represented the regional team as directors of the London Baptist Property Board. They provide valuable contributions on individual church situations 'on the ground' for the purposes of buildings developments, loans and trust matters. This was enhanced by the appointment of new members of the Regional Team, The Revd. Claire Nicholls, and The Revd. Josh Kane, to the Board in the latter part of the year. The Property Board, continues to build on its strategic review – with changes to the LB website improving our communications. We have seen, due to a generous stance, the LBPB continue to accrue greater deposits from our member churches throughout 2023.

More broadly, the Regional Team represent the Association in a variety of contexts. The Team Leader continues to represent the Association nationally as part of the Baptists Together Core Leadership Team, and Baptist Union Council. He also moderates the Regional Team Leaders group and is a member and trustee of the ecumenical London Church Leaders charity. In 2023, he was able to also represent Baptists Together at the Baptist World Alliance General Meeting / EBF SENT Conference in Stavanger, Norway.

## THE LONDON BAPTIST ASSOCIATION

### REPORT OF THE BOARD OF DIRECTORS FOR THE YEAR ENDED 31ST DECEMBER 2023 (CONTINUED)

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The Revd. Hany Abdelmasih represents the Association nationally as part of the BUGB Mission Forum and Small Churches Network. He also continued to oversee our Intercessory Prayer Group, Mission Hub, and Chaplains Connect Group, and Refugee Network. Upon her appointment, Rev. Lucy Wright succeeded Rev. Lee Johnson as a member of the National Ministerial Recognition Committee and is now also involved in Churches Together in Essex and East London (CTEEL). The Revd. Claire Nicholls represents the Association on the steering group of Churches Together in South London; and represents the Baptist Union on the JPIT Strategy and Policy Group. The Revd. Winston Bygrave makes significant contributions around theological and lay training; both within and beyond his geographical pastoral area. The Revd. Josh Kane participates in the National Church Planting Network core group.

Mr. Pete Herbert-James resigned his position as CYF Lead in the Autumn of 2023 as he prepared to seek a ministerial role within a church. He has since been called to Balham BC as pastor. The LB Directors, recognising the loss of Pete's expertise, have taken steps to fill the substantial gap in our provision. They have since appointed the HEBE Foundation to replace Pete's CYF component. His work with Younger Adults / Internships will be taken up by Regional Minister Rev. Josh Kane.

Mrs. Rachel Swaby, the LB Safeguarding Lead, continues to provide an excellent support service to our churches in terms of safeguarding cases and training. Indeed, we have increased her hours to 0.8FTE because of the demands on her time. We are grateful for Rachel's ongoing tenacity and diligence in her service of the Association churches. She continues to work closely with the national team based at Baptist House.

Our two interns, Mrs. Jennifer Esposito and Miss. Anna Adeleye concluded their placements with us in the summer. In a positive development, Jennifer, and her husband, along with around thirteen other young leaders across London, attended the European Baptist Federation SENT Conference in Norway during July. LB helped fund this trip as a way of investing in younger leaders. This was an incredible event featuring around thirty young leaders from the UK – and others from across Europe. Apart from the host nation, the UK delegation was the largest in the continent. Unfortunately, however, we were unable to attract any further interns for the year 2023-24. That said, we are hopeful to see further interns in the following year.

#### **LBA Board**

We continue to hold all of our director's meetings online and did so throughout 2023. We held an awayday on the 25<sup>th</sup> March to discuss, in particular, some of the current theological tensions within the Union – but also to give further thought to financial strategy in the light of continual decline of Home Mission. In London, we have seen a drop of 25% in Home Mission giving since before the pandemic. The Board is aware of the need to improve the income from our investments (property and financial) in the light of this challenge.

Our AGM was held on the 4<sup>th</sup> November 2023 via zoom. With the significant changes to the Team, we decided to opt for an online meeting. At the AGM, we were able to appoint two new directors: Miss. Jade Noble (Perry Rise BC) and The Revd. Dr. Mike Thornton (Epsom BC); and re-appoint Miss. Nosa Idehen (Barking BC) for a second term. Mike has taken the role of Association Moderator, succeeding The Revd. Alex Afriyie who had to stand down having served his second-term of three years in the role, as had Mrs. Marilyn Ross. We would want to place on record our gratitude to our outgoing colleagues for all they have offered to the Association these last six years. There remains one vacancy on the Board.

It was exciting to welcome a new member church at the AGM: Jubilee Priesthood Centre in Feltham. It was noted however that one church had chosen to close during the year: Marks Gate Baptist Church near Romford. Thus, Association membership remains at 291 churches.

The Marks Gate premises reverted to the Association under the ultimate trust and is currently being marketed for sale. The Board have stated that these monies will be used for mission in its broadest sense.

The Clayhall Baptist Church site (closed 2022) was eventually sold in early 2023 and just under half of the proceeds used to purchase a further manse for our Regional Team at 56a Sydney Road, Abbey Wood. We are now fortunate to have manses spread across London helping facilitate close support of the neighbouring churches.

## THE LONDON BAPTIST ASSOCIATION

### REPORT OF THE BOARD OF DIRECTORS FOR THE YEAR ENDED 31ST DECEMBER 2023 (CONTINUED)

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#### Other significant events

Our annual Ministers Conference was very well attended, as usual, at High Leigh Conference Centre (Hoddesdon) on 6-8 February. We were pleased to welcome The Rt. Revd. Graham Tomlin (former Anglican Bishop of Kensington) as our keynote speaker. The Team Leader also offered his now traditional 'state of the union' address. We were blessed to have around 130 ministers and guests in attendance and welcomed, for the second year in succession, Steve and Velveta Thompson as our guest worship leaders.

A further important event, in support of our churches, was the organisation of a Fresh Streams Theology Day on the theme of Human Sexuality. This was held at Mill Hill Church on the 28<sup>th</sup> February with around sixty ministers and leaders in attendance. The event was designed to help people think through the theological and pastoral implications of different perspectives on the subject.

Another significant event in the corporate life of the association was the induction of our new Regional Team Members (Lucy, Josh and Claire) at Westbourne Park Baptist Church on 20<sup>th</sup> May. The General Secretary of the Baptist Union, The Revd. Lynn Green, preached; the worship was led by a team from The Kings Cross Baptist Church.

We also held our first 'Empowering Women Leaders Day' at the Kings Cross Baptist Church on 1<sup>st</sup> July which was an inspirational event seeking to encourage, build confidence, and create opportunities for women in leadership across London. Around fifty women leaders attended.

#### Pensions

The pension crisis in the Baptist Union has been brought to a sustainable position through the 'Family Solution' being put in place for the Minister's DB scheme. Due to the 'Buy In' process overseen by BUGB the deficit payments were suspended for scheme participants in 2022. It is expected that the final 'Buy Out' of the scheme will occur in the first quarter of 2024.

#### Future vision

Looking ahead into 2024, the Directors of the Association have outlined several clear objectives.

- To respond accordingly to the decision of the Baptist Union Council regarding the Ministerial Recognition Rules; likewise, to consider proposals from the Baptist Union regarding the future shape of our financial model;
- To continue to take forward the Peckham Rye Tabernacle development – establishing a new form of church – pending initial planning enquiries.
- To find further directors of the Association pending the end of two second-term directors office in the Autumn; there will be three vacancies.
- Development of a strategy for church planting and replanting opportunities.
- To encourage our representatives to contribute to topics at national level including the revised funding formula, LGBT+ issues, justice issues, safeguarding polices, CYF mission, etc.
- To continue the development of young leaders via the internship programme
- Continue to support churches as they reimagine church and manage issues in these changing times.

## THE LONDON BAPTIST ASSOCIATION

### REPORT OF THE BOARD OF DIRECTORS FOR THE YEAR ENDED 31ST DECEMBER 2023 (CONTINUED)

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Alongside the tasks and events, the company continued with its core activities. The Association largely fulfils its objects through the work of the LBA Regional Ministry Team. All the team offers support and encouragement to member churches and have been challenged by several especially difficult situations.

The directors met on six occasions during the year to conduct the business of the LBA, discharge their responsibility for the charity's finances, and oversee the implementation of the agreed strategy. The induction of new directors of the Board was overseen by the Company Secretary, Moderator, and the Team Leader.

The work of the team has been complemented by others who work for the Association in a part-time or voluntary capacity. The twenty-eight District Ministers offered encouragement to fellow ministers in their respective districts. We held two gatherings of these valuable volunteers during 2023.

Despite all working from home, the work of the office staff has again been invaluable in furthering the work of the Association. Mr. Norman Kincaid, the Association's Administrator, temporarily succeeded by Ms. Laura Tomlinson, have provided excellent support to member churches, Regional Ministers and directors and has run the Association's administration with calm efficiency.

Mrs. Deborah Scott, our Finance Officer, continues to diligently oversee the books of both the Association and Property Board.

The Mission Partnership Funding Committee awarded funding to 12 churches and charities, totalling £84,530. Dr. Colin Hicks has responsibility for administering the application process which had included running several workshops to explain the criteria and assessment process. Other material grants from the Mission Partnership Fund included a further £10,000 to the Northern Baptist Association in the light of their challenging financial sustainability; and £5,000 to River Tree as a contribution to send thirteen younger leaders from London as representatives to the EBF/SENT Conference in Stavanger, Norway.

The Ministerial Recognition Committee met on five occasions during the year. Nine new candidates were interviewed and all nine were commended as potential ministerial candidates. One person was interviewed to become Nationally Recognised Pastor this is due to the fact that this category is closing, and the transition is being made to the category of Recognised Local Minister. Additionally, twelve Newly Accredited Ministers were interviewed at the end of their probationary periods and commended for full accreditation. A further three NAMs were interviewed to review their mid-term progress.

The key management personnel of the charity as listed on page 1 are in charge of directing, controlling, running and operating the charity on a day-to-day basis. Details of directors' remuneration, expenses and related party transactions are disclosed in Note 19 to the financial statements.

The pay of senior staff is reviewed annually and normally increased in accordance with average earnings. These awards are decided by the directors but generally follow guidelines from BUGB who decide the standard stipend nationally for Baptist ministers.

The Home Mission appeal in London reduced by some 10.5% compared to the previous year, some £94,500 short of the combined (donations plus subscriptions) budget target of £585,000. Churches in membership with the LBA contributed £355,026 (2022: £377,475) to the Baptist Union Home Mission Fund appeal and £109,800 (2022: £113,021) from subscriptions to the LBA from member churches. Lower subscription revenue also reflects reduced membership numbers in churches.

## THE LONDON BAPTIST ASSOCIATION

REPORT OF THE BOARD OF DIRECTORS  
FOR THE YEAR ENDED 31ST DECEMBER 2023 (CONTINUED)

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### PLANS FOR THE FUTURE

#### *Future Mission in a Changing World*

- We continue to consider how we can establish new ways of 'being church'. Much of our work is focused on equipping existing churches to be more missional and outward looking but the desire remains to 'plant' new expressions. The Revd. Josh Kane, our recently appointed new colleague, is part of the 'National Church Planting Network' (convened by Bishop Ric Thorpe and Rev. Alex Harris).
- We suspect that the development of the Peckham Rye Baptist Tabernacle site will crystallise in 2024; it has been a long and complicated development, and we have yet to discern whether it will eventually be built. A decision will be made either way.

#### *Issues in Human Sexuality*

- The national debate over matters related to human sexuality reaches a significant moment at Baptist Union Council in March 2024. A decision will be taken on the Ministerial Recognition Rules at that point and, whatever decision is made, it will require significant pastoral input from the Regional Team.

#### *Project Violet*

- Project Violet, a research project into the experiences of women in Baptist Ministry, will publish their results in May. The Association will be working through the proposals and recommendations once known.

#### *From Multiethnic to Intercultural Church*

- The Ministers Conference met again in person at High Leigh on 5-7 February 2024. The theme was 'From Multiethnic to Intercultural Church' and the keynote speakers were The Revd. Dr. Israel Olofinjana and Dr. Eleasah Louis. Over 130 people attended across the three days, our largest ever conference, and it was an uplifting and encouraging time.

#### *Finance & Strategy*

- The Home Mission Appeal in 2023 represented a very poor result. We continue to be affected by the decline of key givers in our churches – but also the theological climate is not helping us raise funds for our work. Many more conservative/orthodox churches have declined to give to the Baptist Union until the future over the Ministerial Recognition Rules has greater clarity.
- The Baptist Union ended their relationship with Tricordant (the management consultancy) and have embarked on a new process towards a renewal of our financial model. An extra council is being held in June to discuss this matter further. We suspect that London Baptists will have to make significant decisions of their own after this.
- We continue to support churches through Mission Partnership Grants but we continue to see a lack of applications. At present we only support seven projects on an ongoing basis, and we think the lack of applications reflects a lack of resources in the local church to 'match fund' these projects. We will continue to review this.

### SUMMARY OF FINANCIAL ACTIVITIES FOR THE YEAR

The financial results of the year 2023 are set out in the accompanying financial statements. With regard to the company accounts, there was a positive movement for the year £1,203,251 (2022: £3,148,934) after revaluation gains of £356,399 (2022: losses of £269,759) taking the total net assets of the LBA, including restricted and endowment funds, to £18,494,753 (2022: £17,291,502). The surplus includes £1,000,000 donations of property following the closure of Marks Gate Church.

The Consolidated Statement of Financial Activities consequently shows a positive movement of funds in the year of £1,205,051 after consolidation adjustments (2022: £3,166,418).

## THE LONDON BAPTIST ASSOCIATION

### REPORT OF THE BOARD OF DIRECTORS FOR THE YEAR ENDED 31ST DECEMBER 2023 (CONTINUED)

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#### *Reserves policy*

The Directors consider the reserves policy annually. It is their intention to maintain a reserve that at a minimum would fund three months operating costs and up to six months operating costs. As at 31 December 2023, the free reserves of LBA (being the company unrestricted fund net current assets and listed investments) were £2,978,749 (2022: £2,475,991). The residual free reserves are considered to be adequate in line with the agreed policy.

The principal source of regular general fund income in 2023 was a fixed sum grant from the Baptist Union and it is anticipated that such grants will be paid in future years. The source of this funding is the declining national Home Mission Appeal. The directors expect that the financial position of BUGB will therefore be constrained for some time and that grant funding will decrease, not increase, in future years, requiring the LBA to use its free reserves to pay some operating costs. The Baptist Union are undergoing a serious review as to how the Home Mission fund is gathered and distributed and we suspect there will be substantial changes decided in 2024.

The directors will also need to fund any expenditure on new projects to enhance the LBA's work which go beyond core activities from reserves. The directors will continue to monitor the level of reserve held and to take decisions on expenditure which balance the needs of the present and the future.

#### *Remuneration of directors*

The Regional Minister Team leader, who has served as a director in 2023, is entitled to receive remuneration from the Association under the terms of the Memorandum of Association. (Details are to be found at note 19.) Otherwise, the directors did not receive any remuneration or benefit in kind from the Association or its subsidiary company the London Baptist Property Board Ltd.

#### *Investment policy*

An ethical investment policy is followed, which was reviewed during the year resulting in the exclusion of fossil fuel industry companies from our portfolios. The general policy is to deposit day-to-day funds with the London Baptist Property Board Limited. For investments of a more permanent nature, the LBA investment managers are consulted. Regular review meetings are held with the fund manager. Both the General Fund Portfolio (a balanced portfolio to provide income and growth) and the Philpot Trust portfolio (managed principally to provide growth) performed reasonably well for the period against respective benchmarks. The charity has made such investments to generate a return and has made no social investments

With regard to the LBPB, the directors of the LBPB take a cautious approach to investment, seeking both to safeguard the capital held on behalf of churches and to retain sufficient short-term funds to meet potential demands by depositors or borrowers. With regard to longer term investments, the company holds Charifund income units with the intention of providing both income and capital growth. Investments have also been made in property with the dual aim of assisting the LBA or particular churches and bringing longer-term capital growth for the company. The short-term deposits are currently spread across five financial institutions, with returns being kept under regular review.

#### *Grant making policy*

During the year, grants of £100,735 (2022: £88,067) were made to beneficiaries in accordance with the terms of the fund from which the grant was made. Grants are awarded in response to written applications which are assessed by the Finance Committee. The Committee has regard to the sums requested, project viability and the amounts available for distribution. The directors have delegated powers to the Finance Committee to award grants with a value of up to £5,000; grants in excess of that amount are referred to the directors for a decision with a recommendation from the Finance Committee.

This figure includes grants made under the Mission Partnership Funding Scheme funded by the national Home Mission Appeal. A separately designated Committee receives vision statements and full applications from member churches and has delegated authority to award funding within an agreed annual budget.

## THE LONDON BAPTIST ASSOCIATION

### REPORT OF THE BOARD OF DIRECTORS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2023 (CONTINUED)

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Successful applicants must demonstrate the missional nature of their application and can be awarded funding for up to three years, subject to annual review.

#### *Fundraising disclosure*

The Association does not directly get involved in fundraising activities with the general public but encourages all its member churches to contribute to the national Home Mission Appeal managed by the Baptist Union. Support is requested by occasional visiting preachers and by material available via the Baptist Union web site. All Association membership subscriptions from churches are transferred to this national Appeal. A proportion of this Appeal is then allocated to the Association in line with a nationally agreed formula in line with other Associations as core funding and mission funding.

No professional fundraisers or other third parties are engaged and no complaints about our practices have been received. Funds are not sought from outside our own membership.

#### *Risk Management*

The charity trustees acknowledge their responsibility for, and have given consideration to the major risks to which the charity is exposed and satisfied themselves that systems or procedures are established in order to manage and control those risks. The main risks identified and managed are:

- Issues around safeguarding and child protection in our churches are of great importance and carry a high level of potential risk. To this end, the appointment of a Safeguarding Lead was made a few years ago. Extensive training at Levels 2 & 3 is delivered to our ministers and other church leaders using the Baptist Union "Excellence in Safeguarding" material. Regular monitoring of levels of participation and effectiveness of this training takes place. Lines of reporting incidents of risk are clear and understood. Churches are offered clear guidance to write their own safeguarding policies.
- The business of the Association has financial reliance upon its member churches' contributions to the national Home Mission Appeal which is the main income source. As pressure grows on our declining church membership with an ageing demographic, there is a risk that such funding may reduce in coming years. The Appeal is actively promoted by the Association and currently this risk is mitigated by the level of reserves held.
- The Association and its related designated and restricted trust funds carry an investment risk on reserves held. These investments are professionally managed and regularly monitored by other advisers to mitigate the risk. The Association and LBPB have agreed a relatively cautious and ethical agreed investment policy.
- There is a reputational risk to the Association relating to any incidents in our member churches which may be outside our direct control. The enhanced Regional Team is now more actively and pre-emptively engaged in assisting and advising churches on governance, pastoral, safeguarding and other issues to reduce these risks. Suitable trustee/employee indemnity insurance is in place.
- The operational risk of loss of data, computer hacking, cybercrime heightens each year. Upgraded network systems were implemented in tandem with our change of office location. Our support company has noticeably improved the technical aspects of this area and reduced the risk of loss or non-compliance significantly.
- Additional attention is being given to the risk of potential staff burnout by reviewing current supervision and line management procedures in respect of staff welfare.
- Other less serious risks in the areas of governance, finance, operations, compliance and environmental have also been identified and suitable control measures in place, reviewed annually by the trustees.

## THE LONDON BAPTIST ASSOCIATION

REPORT OF THE BOARD OF DIRECTORS  
FOR THE YEAR ENDED 31ST DECEMBER 2023 (CONTINUED)

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### Statement of Directors' Responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standard (United Kingdom Generally Accepted Accounting Policies).

Company law requires the directors 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 the group and of incoming resources and application of resources, including the income and expenditure of the charitable group for the period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- 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 Association will continue in its activities.

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

The directors are responsible for the maintenance and integrity of the corporate and financial information for the company included on its web-site. Legislation in the United Kingdom governing the preparation and dissemination of financial information may differ from legislation in other jurisdictions.

### DISCLOSURE OF INFORMATION TO THE AUDITORS

To the knowledge and belief of the directors, there is no relevant information that the company's auditors are not aware of, and the directors have taken all the steps necessary to ensure that the directors are aware of any relevant information, and to establish that the company's auditors are aware of this information.

The above report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

BY ORDER OF THE BOARD



Rev Dr. M Thornton  
Moderator  
Unit C2, 15, Dock Street,  
London  
E1 8JN

14 May 2024

# THE LONDON BAPTIST ASSOCIATION

## GENERAL INFORMATION

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### Designated Funds

#### *Church Extension and Reconstruction Fund*

This fund was set up to help, by grant or interest-free loan, churches needing to carry out urgent building maintenance. Income is derived from grants from the London Baptist Property Board Limited.

#### *Legacy Reserve Fund*

Unrestricted legacies are placed into this fund and are used for purposes that the Board decides.

#### *Mission Partnership Funding*

This fund holds any unallocated balance of the annual budget received from BUGB for providing Mission Partnership Funding, as administered by the LBA Committee with responsibility for awarding this funding in line with their published criteria. This balance may be carried forward at year end and awarded to suitable applicants in future years.

#### *Thames Gateway Project*

This fund has received donations made by member churches in response to an appeal made in connection with plans to celebrate the third Christian millennium. The proceeds have been used to purchase a property in Britannia village, part of the newly developed Thames Gateway area. The property is used as a base for church planting.

#### *LBA Youth Fund*

This fund was established in response to a donation to the Association to be used for youth work in London. It is hoped that further gifts and grants will be received in future years. The money is available to the Youth Forum to assist in funding its initiatives.

#### *Peckham Rye Fund*

This fund received a one-off donation on the closure of the church in lieu of rent for a retired minister to remain in the manse for five years. The money is designated for future property costs and repairs.

### Restricted Funds

#### *J W Beaumont Trust Fund (an endowment fund)*

This fund was established to comply with the wishes of the executors of the estate of the late solicitor to the LBA, J W Beaumont. The main purpose is to assist lay persons with Christian training expenses.

#### *John Bradford Trust*

This trust fund enables permanent loans to be made from the capital, with repayment and interest if the church closes or leaves the Association, and term interest-free loans to be made from income. There is also provision for grants to be made from the income for the support of ministry and those training for ministry and for other charitable work of the Association. To qualify a church must be within a London Borough. Grants were made from this fund to support the safeguarding officer and the Youth worker during the year. These are shown as transfers.

#### *Compassionate Trust Fund*

This fund is financed by appeals to member churches to enable help to be given to ministers and their dependants in special need.

#### *Hounslow Baptist Church Reserve*

This fund was created upon the closure of Broadway Baptist Church, Hounslow in 1978. Loans and grants are made from the fund for the support of ministry (in its widest sense) in the Greater London area. The fund has been supplemented in 2007 by proceeds from the closure of Harmondsworth Baptist Church.

## THE LONDON BAPTIST ASSOCIATION

### GENERAL INFORMATION

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#### **Restricted Funds (continued)**

##### *Manse Trust Fund*

This fund was created in 1984 when the Manse of Nunhead Baptist Church was sold, the church having closed in 1965. Additional funds were added during 1992 in connection with the former Haydon Park church in Wimbledon. Loans have been made to churches to help with the purchase of their manses. These loans are repayable with capital appreciation relating to house values at the time of repayment.

##### *T W Philpot Trust*

This derives from the will of the late Thomas W A Philpot and was for making interest-free loans to churches which are erecting new chapels. Such loans will normally amount to no more than 25% of the cost unless the Board of Directors agrees otherwise. The initial capital sum became available in 1956 and a further legacy of properties and investments has since become available following the cessation of a life interest. In 2006, the Charity Commission gave permission for the funds to be used for wider purposes. Interest-free loans can now be made for the building of new churches, the purchase of new buildings by churches and the extension of church premises.

##### *Valley Mission Fund*

This fund derives from the sale of Valley Mission, Biggin Hill. Under the ultimate trust, the income from the invested proceeds is available for evangelistic work in West Kent as decided by the Board of Directors.

##### *Clayhall Fund*

This fund was created through a gift of the now closed Clayhall Baptist Church in Ilford. It is for the support of community projects in deprived areas of London, or to support LBA evangelists and families working in their communities reaching out with the message of salvation through Jesus.

## THE LONDON BAPTIST ASSOCIATION

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE LONDON BAPTIST ASSOCIATION

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#### Opinion

We have audited the financial statements of The London Baptist Association (the 'parent charity') and its subsidiary (the 'group') for the year ended 31 December 2023 which comprise the consolidated Statement of Financial Activities, the consolidated and parent Balance Sheets, the consolidated Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and 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 group's and of the parent company's affairs as at 31 December 2023 and of the group's surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

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

#### Conclusions relating to going concern

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

#### Opinions 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

#### Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit: or

## THE LONDON BAPTIST ASSOCIATION

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE LONDON BAPTIST ASSOCIATION

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- the directors 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 directors' report and from the requirement to prepare a strategic report.

#### Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors 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 directors 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 directors are responsible for assessing the group's and the parent 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 directors either intend to liquidate the group or the parent 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the company, we identified that the principal risks of non-compliance with laws and regulations related to employment and financial reporting legislation and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and the Charities Act 2011.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by making enquiries of management, considering the internal controls in place and discussion amongst the engagement team.

We determined that the principal risks were related to the management bias in accounting estimates, valuation of properties, the inclusion and treatment of non cash transactions, presentation of separately disclosed items and the management override of controls. In response to the risks identified we designed procedures which included, but were not limited to:

- challenging the significant accounting estimates such as valuation of properties,
- reviewing trustee meeting minutes and enquiring into the occurrence and treatment of non cash transactions,
- agreeing financial statement disclosures to underlying supporting evidence,
- identifying and testing journal entries and
- evaluation the charity's internal controls.

There are inherent limitations in the audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion. A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### Use of our report

This report is made solely to the 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 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Miriam Hickson FCA (Senior Statutory Auditor)  
for and on behalf of Jacob Cavenagh & Skeet  
Statutory Auditor  
Chartered Accountants**

Dated: 12 June 2024



5 Robin Hood Lane  
Sutton  
Surrey  
SM1 2SW

**THE LONDON BAPTIST ASSOCIATION**

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**

(including Income and Expenditure Account)  
FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	Unrestricted Fund £	Restricted Funds £	Endow ment Funds £	2023 £	Unrestricted Fund £	Restricted Funds £	Endow ment Funds £	2022 £
<b>Income from:</b>									
Donations and legacies:									
Baptist Union core funding		258,784	-	-	258,784	362,731	-	-	362,731
Church contributions	11	121,565	11,167	-	132,732	123,287	1,025	-	124,312
Grants		1,106,995	-	-	1,106,995	3,349,021	1,500	-	3,350,521
Investments	14	719,420	77,968	-	797,388	236,335	55,127	-	291,462
Charitable activities:									
Loan interest		148,311	-	-	148,311	139,836	-	-	139,836
Preaching Income		5,459	-	-	5,459	4,693	-	-	4,693
Events		23,448	-	-	23,448	23,736	-	-	23,736
Other		1,493	-	-	1,493	2,581	-	-	2,581
<b>Total income</b>		<b>2,385,475</b>	<b>89,135</b>	<b>-</b>	<b>2,474,610</b>	<b>4,242,220</b>	<b>57,652</b>	<b>-</b>	<b>4,299,872</b>
<b>Expenditure on:</b>									
Raising funds									
Investment property management costs		78,701	15,226	-	93,927	37,043	18,675	-	55,718
Charitable activities	12,13								
Support to churches		1,472,494	2,205	-	1,474,699	846,472	4,587	-	851,059
<b>Total expenditure</b>		<b>1,551,195</b>	<b>17,431</b>	<b>-</b>	<b>1,568,626</b>	<b>883,515</b>	<b>23,262</b>	<b>-</b>	<b>906,777</b>
<b>Net gains/(losses) on investments</b>		<b>244,705</b>	<b>77,362</b>	<b>-</b>	<b>322,067</b>	<b>(69,097)</b>	<b>(174,580)</b>	<b>-</b>	<b>(243,677)</b>
<b>Net income/(expenditure)</b>		<b>1,078,985</b>	<b>149,066</b>	<b>-</b>	<b>1,228,051</b>	<b>3,289,608</b>	<b>(140,190)</b>	<b>-</b>	<b>3,149,418</b>
Transfers between funds		8,000	( 8,000)	-	-	1,199	(1,199)	-	-
(Losses)/gains on revaluation of fixed assets		( 23,000)	-	-	( 23,000)	17,000	-	-	17,000
<b>Net movement in funds</b>	2a	<b>1,063,985</b>	<b>141,066</b>	<b>-</b>	<b>1,205,051</b>	<b>3,307,807</b>	<b>(141,389)</b>	<b>-</b>	<b>3,166,418</b>
<b>Reconciliation of funds</b>									
<b>Funds brought forward</b>		<b>14,288,800</b>	<b>5,468,039</b>	<b>3,087</b>	<b>19,759,926</b>	<b>10,980,993</b>	<b>5,609,428</b>	<b>3,087</b>	<b>16,593,508</b>
<b>Total funds carried forward</b>		<b>15,352,785</b>	<b>5,609,105</b>	<b>3,087</b>	<b>20,964,977</b>	<b>14,288,800</b>	<b>5,468,039</b>	<b>3,087</b>	<b>19,759,926</b>

**THE LONDON BAPTIST ASSOCIATION**

**CONSOLIDATED BALANCE SHEET  
AS AT 31 DECEMBER 2023**

	Note	2023		2022	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible fixed assets	2a		7,579,455		7,043,029
Investments	3a		6,176,605		7,514,732
Concessionary loans to churches	4		2,270,530		2,449,442
			<u>16,026,590</u>		<u>17,007,203</u>
<b>CURRENT ASSETS</b>					
Debtors (including £1,856,465 (2022: £2,236,907) recoverable after more than one year)	5a	3,192,389		2,990,661	
Assets held for sale	6	1,000,000		1,000,000	
Investments (Short term deposits)		11,235,834		6,955,980	
Cash held by stockbrokers		68,742		58,334	
Cash at bank		5,049,390		6,449,300	
		<u>20,546,355</u>		<u>17,454,275</u>	
<b>CREDITORS:</b>					
Amounts falling due within one year	7a	(15,607,968)		(14,701,552)	
<b>NET CURRENT ASSETS</b>			4,938,387		2,752,723
Total Assets less current liabilities			<u>20,964,977</u>		<u>19,759,926</u>
<b>PROVISIONS FOR LIABILITIES</b>	20		-		-
<b>NET ASSETS</b>	18		<u>20,964,977</u>		<u>19,759,926</u>
<b>ENDOWMENT FUNDS</b>					
	9		3,087		3,087
<b>RESTRICTED FUNDS</b>					
	9				
Realised funds		4,785,278		4,647,597	
Revaluation reserve	17	823,827		820,442	
			<u>5,609,105</u>		<u>5,468,039</u>
<b>UNRESTRICTED FUNDS</b>					
Realised funds – Other funds		13,699,707		12,255,054	
Revaluation reserve	17	1,653,078		2,033,746	
			<u>15,352,785</u>		<u>14,288,800</u>
			<u>20,964,977</u>		<u>19,759,926</u>

The financial statements were prepared in accordance with the special provisions of the Companies Act 2006 relating to small companies and were approved by the Board of Directors on 14 May 2024 and signed on their behalf:

**Moderator**

Rev Dr M Thornton

**Honorary Treasurer**

Mrs F Ogunyide

**THE LONDON BAPTIST ASSOCIATION**

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

		<b>2023</b>	<b>2022</b>
	<i>Note</i>	<b>£</b>	<b>£</b>
<b>Cash (used in)/provided by operating activities</b>	<i>(i)</i>	( 183,417)	3,387,813
<b>Cash flows from investing activities</b>			
Dividends, interest and rents from investments		797,388	291,462
Purchase of fixed assets		( 562,725)	-
Proceeds on sale of investments		2,052,688	711,737
Proceeds from assets held for sale		1,265,706	-
Purchase of investments		(658,200)	(804,580)
Net advances of long term loans to churches		178,912	76,377
<b>Cash provided by investing activities</b>		<u>3,073,769</u>	<u>274,996</u>
<b>Increase in cash and cash equivalents in the year</b>		2,890,352	3,662,809
<b>Cash and cash equivalents as at 1 January</b>		<u>13,463,614</u>	<u>9,800,805</u>
<b>Cash and cash equivalents as at 31 December</b>		<u>16,353,966</u>	<u>13,463,614</u>

**(i) Reconciliation of net income to cash flows from operating activities**

<b>Net movement in funds</b>	1,205,051	3,166,418
Depreciation charges	3,299	2,442
Dividends, interest and rents from investments	( 797,388)	(291,462)
Property grants in the year	(1,000,000)	(3,110,000)
Gains/(losses) on tangible fixed assets	23,000	( 17,000)
Gains on assets held for sale	( 265,706)	-
(Gains)/losses on investment assets	( 56,361)	243,677
(Increase)/ decrease in debtors	( 201,728)	734,066
Increase in creditors	906,416	2,659,672
<b>Cash (used in)/provided by operating activities</b>	<u>( 183,417)</u>	<u>3,387,813</u>

# THE LONDON BAPTIST ASSOCIATION

## COMPANY STATEMENT OF FINANCIAL ACTIVITIES (including Income and Expenditure Account) FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	Unrestricted Fund £	Restricted Funds £	Endowment Funds £	2023 £	Unrestricted Fund £	Restricted Funds £	Endowment Funds £	2022 £
<b>Income from:</b>									
Donations and legacies:									
Baptist Union core funding		258,784	-	-	258,784	362,731	-	-	362,731
Church contributions	11	121,565	11,167	-	132,732	123,287	1,025	-	124,312
Grants		1,126,059	-	-	1,126,059	3,404,475	1,500	-	3,405,975
Investments	14	121,015	77,968	-	198,983	86,851	61,928	-	148,779
Charitable activities:									
Preaching		5,459	-	-	5,459	4,693	-	-	4,693
Events		23,448	-	-	23,448	23,736	-	-	23,736
Other		543	-	-	543	1,881	-	-	1,881
<b>Total income</b>		<b>1,656,873</b>	<b>89,135</b>	<b>-</b>	<b>1,746,008</b>	<b>4,007,654</b>	<b>64,453</b>	<b>-</b>	<b>4,072,107</b>
<b>Expenditure on:</b>									
Raising funds									
Investment property management costs		68,164	15,226	-	83,390	25,406	18,675	-	44,081
Charitable activities									
Support to churches		813,561	2,205	-	815,766	604,746	4,587	-	609,333
<b>Total expenditure</b>		<b>881,725</b>	<b>17,431</b>	<b>-</b>	<b>899,156</b>	<b>630,152</b>	<b>23,262</b>	<b>-</b>	<b>653,414</b>
Net gains/(losses) on investments									
<b>Net income/(expenditure)</b>		<b>279,037</b>	<b>77,362</b>	<b>-</b>	<b>356,399</b>	<b>(95,179)</b>	<b>(174,580)</b>	<b>-</b>	<b>(269,759)</b>
Transfers between funds		1,054,185	149,066	-	1,203,251	3,282,323	(133,389)	-	3,148,934
Gains on revaluation of fixed assets	2b	8,000	(8,000)	-	-	8,000	(8,000)	-	-
<b>Net movement in funds</b>		<b>1,062,185</b>	<b>141,066</b>	<b>-</b>	<b>1,203,251</b>	<b>3,290,323</b>	<b>(141,389)</b>	<b>-</b>	<b>3,148,934</b>
<b>Reconciliation of funds</b>									
<b>Total funds brought forward</b>		<b>11,820,376</b>	<b>5,468,039</b>	<b>3,087</b>	<b>17,291,502</b>	<b>8,530,053</b>	<b>5,609,428</b>	<b>3,087</b>	<b>14,142,568</b>
<b>Total funds carried forward</b>		<b>12,882,561</b>	<b>5,609,105</b>	<b>3,087</b>	<b>18,494,753</b>	<b>11,820,376</b>	<b>5,468,039</b>	<b>3,087</b>	<b>17,291,502</b>

**THE LONDON BAPTIST ASSOCIATION**

COMPANY BALANCE SHEET  
AT 31 DECEMBER 2023

Company number: 04325272

	Note	2023		2022	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible fixed assets	2b		6,665,455		6,106,029
Investments	3b		6,108,126		6,767,004
Concessionary loans to churches	4		<u>2,270,530</u>		<u>2,449,442</u>
			15,044,111		15,322,475
<b>CURRENT ASSETS</b>					
Investments (Deposits with the London Baptist Property Board)		2,676,484		1,187,998	
Debtors	5b	429,303		16,784	
Assets held for sale	6	1,000,000		1,000,000	
Cash held by stockbrokers		68,742		58,334	
Cash at bank and in hand		<u>37,994</u>		<u>18,445</u>	
		4,212,523		2,281,561	
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>					
Sundry creditors	7b	<u>(670,297)</u>		<u>(220,950)</u>	
<b>NET CURRENT ASSETS</b>			3,542,226		2,060,611
Total Assets less current liabilities			<u>18,586,337</u>		<u>17,383,086</u>
<b>CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR</b>					
Loans from the London Baptist Property Board Limited	15		(91,584)		(91,584)
<b>PROVISION FOR LIABILITIES</b>	20		-		-
<b>NET ASSETS</b>	18		<u>18,494,753</u>		<u>17,291,502</u>
<b>REPRESENTED BY FUNDS:</b>					
<b>ENDOWMENT FUNDS</b>					
	9		3,087		3,087
<b>RESTRICTED FUNDS</b>					
Realised funds	9	4,785,278		4,647,597	
Revaluation reserve	17	<u>823,827</u>		<u>820,442</u>	
			5,609,105		5,468,039
<b>UNRESTRICTED FUNDS</b>					
Realised funds – Other funds	8	12,180,598		11,138,092	
Revaluation reserve	17	<u>701,963</u>		<u>682,284</u>	
			12,882,561		11,820,376
			<u>18,494,753</u>		<u>17,291,502</u>

Approved by the Board of Directors 14 May 2024 and signed on their behalf:

Moderator

Rev Dr M Thornton

Honorary Treasurer

Mrs F Ogunyide

## THE LONDON BAPTIST ASSOCIATION

### SUMMARY INCOME AND EXPENDITURE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2023

	2023		2022	
	Group £	Company £	Group £	Company £
Income	1,677,222	1,547,025	4,008,410	3,923,328
Interest and investment income	797,388	198,983	291,462	148,779
Gains/(losses) on investments	322,067	356,399	(243,677)	(269,759)
<b>Gross income in the reporting period</b>	<b>2,796,677</b>	<b>2,102,407</b>	<b>4,056,195</b>	<b>3,802,348</b>
Expenditure	1,565,327	895,857	904,335	647,573
Depreciation	3,299	3,299	2,442	5,841
<b>Total expenditure in the reporting period</b>	<b>1,568,626</b>	<b>899,156</b>	<b>906,777</b>	<b>653,414</b>
<b>Surplus for the year</b>	<b>1,228,051</b>	<b>1,203,251</b>	<b>3,149,418</b>	<b>3,148,934</b>

### STATEMENT OF COMPREHENSIVE INCOME

	2023		2022	
	Group £	Company £	Group £	Company £
Surplus for the year	1,228,051	1,203,251	3,149,418	3,148,934
(Losses)/gains on revaluation of fixed assets	(23,000)	-	17,000	-
<b>Comprehensive income for the year</b>	<b>1,205,051</b>	<b>1,203,251</b>	<b>3,166,418</b>	<b>3,148,934</b>

# THE LONDON BAPTIST ASSOCIATION

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2023 (continued)

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### 1 ACCOUNTING POLICIES

The London Baptist Association (LBA) is a company limited by guarantee and registered in England (number 4352572) and is a registered charity (no 1091160). Its registered address is: Unit C2, 15 Dock Street, London E1 8JN.

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

#### 1.1 Accounting convention

The financial statements have been prepared under the Companies Act 2006, the Charities Act 2011 and in accordance with the Charities Statement of Recommended Practice (Charities SORP (FRS 102)) and Financial Reporting Standard 102 (FRS 102). The accounts are prepared under the historical cost convention as modified by the revaluation of properties and investments. The financial statements are prepared in pounds sterling rounded to the nearest pound.

The accounts include the results of the company's subsidiary, The London Baptist Property Board Limited. The results have been consolidated on a line by line basis.

The London Baptist Association meets the definition of a public benefit entity under FRS 102. The charity is a company limited by guarantee, incorporated in England and Wales.

#### 1.2 Unrestricted funds

Unrestricted funds comprise the General fund and Designated funds. Designated funds represent monies which have been allocated for specific purposes by the Association. All Unrestricted fund income is accounted for once the charity has entitlement to the income, it is probable the income will be received and the amount of income receivable can be reliably measured. Unrestricted fund expenditure is accrued as soon as a liability is considered probable, discounted to present value for longer term liabilities.

#### 1.3 Restricted funds

These are funds subject to specific conditions as to their use, which are binding on the Association. All Restricted fund income is accounted for at the time of receipt and expenditure accounted for when incurred. Income not expended in the year of receipt is carried forward until it is fully committed.

#### 1.4 Endowment funds

Endowment funds represent the permanent capital of certain restricted funds.

#### 1.5 Properties

Freehold and leasehold properties, whether shown as tangible fixed assets or investments, have been included at fair value. No depreciation has been charged on those properties held as tangible fixed assets on the basis that the residual value of the properties is so high as to render depreciation immaterial.

#### 1.6 Computers and equipment

This is shown at cost and depreciated over 3 years. Equipment with a cost of over £1,000 is capitalised.

#### 1.7 Pension schemes

The company contributes to defined benefit pension schemes. The assets of the schemes are held separately from those of the company and contributions are accounted for when due.

The company also makes contributions towards the deficit on the Baptist Pension Scheme and the Baptist Unions Staff Pension Scheme, under their deficit reduction schemes. The Baptist Union Great Britain Defined Benefit Scheme is to be bought out in 2024. A provision has been made for the total contributions due. This is detailed in Note 20.

#### 1.8 Investments

Quoted investments are stated at fair value. An unquoted investment is stated at a valuation of the Finance Committee. Unrealised gains or losses in the year are reported in the statement of financial activities. Investments in subsidiaries are shown at cost. Where the Charity has initiated a plan to sell an asset and the sale is probable within one year, the asset held for sale is shown at the lower of the carrying amount and its fair value less costs to sell.

#### 1.9 Debtors

Trade debtors and other debtors are included at the settlement amount due. Prepayments are valued at the amount prepaid.

# THE LONDON BAPTIST ASSOCIATION

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2023 (continued)

### 1.10 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 opening of the deposit.

### 1.11 Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation arising 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 recognised at their settlement amount.

### 1.12 Financial instruments

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

### 1.13 Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

### 1.14 Income

Income, including grants, is recognised when the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

### 1.15 Expenditure

Expenditure is recognised as soon as an outflow of economic benefit is probable, settlement will be required and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis.

Grants and donations are accounted for when paid over, or when awarded, if that award creates a binding obligation on the charity.

## 2a TANGIBLE FIXED ASSETS – GROUP

	Freehold Properties £	Leasehold Properties £	Computers and Equipment £	Total £
<b>Cost or valuation</b>				
1 January 2023	5,219,488	1,820,242	40,336	7,080,066
Additions	562,725	-	-	562,725
Disposals	-	-	-	-
Revaluation deficit	( 23,000)	-	-	( 23,000)
31 December 2023	5,759,213	1,820,242	40,336	7,619,791
<b>Depreciation</b>				
1 January 2023	-	-	37,037	37,037
Charge for the year	-	-	3,299	3,299
Released on disposal	-	-	-	-
31 December 2023	-	-	40,336	40,336
<b>Net Book Value</b>				
31 December 2023	5,759,213	1,820,242	-	7,579,455
31 December 2022	5,219,488	1,820,242	3,299	7,043,029
Historical cost for land and buildings included at valuation:				
31 December 2023	5,276,020	1,820,242		7,096,262
31 December 2022	4,713,295	1,820,242		6,533,537

The properties were last valued by the directors at 31st December 2023 on the basis of fair value. The valuations were made on the basis of information provided by Rapleys, who are professional surveyors.

**THE LONDON BAPTIST ASSOCIATION**

NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2023 (continued)

**2b TANGIBLE FIXED ASSETS – COMPANY**

	Freehold Properties £	Leasehold Properties £	Computers and Equipment £	Total £
<b>Cost or valuation</b>				
1 January 2023	4,282,488	1,820,242	34,601	6,137,331
Additions	562,725	-	-	562,725
Disposals	-	-	-	-
Revaluation surplus/(deficit)	-	-	-	-
31 December 2023	<u>4,845,213</u>	<u>1,820,242</u>	<u>34,601</u>	<u>6,700,056</u>
<b>Depreciation</b>				
1 January 2023	-	-	31,302	31,302
Charge for the year	-	-	3,299	3,299
Released on disposal	-	-	-	-
31 December 2023	<u>-</u>	<u>-</u>	<u>34,601</u>	<u>34,601</u>
<b>Net Book Value</b>				
31 December 2023	<u>4,845,213</u>	<u>1,820,242</u>	<u>-</u>	<u>6,665,455</u>
31 December 2022	<u>4,282,488</u>	<u>1,820,242</u>	<u>3,299</u>	<u>6,106,029</u>
Historical cost for land and buildings included at valuation:				
31 December 2023	<u>4,401,020</u>	<u>1,820,242</u>		<u>6,221,262</u>
31 December 2022	<u>3,838,295</u>	<u>1,820,242</u>		<u>5,658,537</u>

**3a INVESTMENTS – GROUP**

	Listed investments £	Other investments £	Freehold investment properties £	Total £
<b>Valuation</b>				
1 January 2023	2,669,844	202,058	4,642,830	7,514,732
Additions	658,200	-	-	658,200
Disposals	(1,380,578)	-	(643,000)	(2,023,578)
Revaluation surplus/(deficit)	63,500	(4,749)	(31,500)	27,251
31 December 2023	<u>2,010,966</u>	<u>197,309</u>	<u>3,968,330</u>	<u>6,176,605</u>
<b>Historical Cost</b>				
31 December 2023	<u>1,821,199</u>	<u>149,805</u>	<u>2,211,890</u>	<u>4,182,894</u>
31 December 2022	<u>2,503,141</u>	<u>149,805</u>	<u>2,513,792</u>	<u>5,166,738</u>

The properties were last valued by the directors at 31st December 2023 on the basis of fair value. The valuations were made on the basis of information provided, according to the locality of the properties, by: Rapleys, who are professional surveyors.

All assets are held in the UK.

The listed investment portfolio comprises investments in British Government Stocks, UK quoted and unquoted equities and unit trust investments.

**THE LONDON BAPTIST ASSOCIATION**

NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2023 (continued)

**3b INVESTMENTS – COMPANY**

General Fund	Shares in	Listed	Freehold	Total
	LBPB	investments	investment	
	£	£	properties	£
			£	
Market value or valuation at 1 January 2023	1,379,330	960,810	1,927,850	4,267,990
Additions	-	332,332	-	332,332
Disposals	-	(354,558)	-	(354,558)
Revaluation surplus	-	8,986	-	8,986
Market value or valuation at 31 December 2023	<u>1,379,330</u>	<u>947,570</u>	<u>1,927,850</u>	<u>4,254,750</u>
Historical cost or probate value at 31 December 2023	<u>1,379,330</u>	<u>920,020</u>	<u>1,697,630</u>	<u>3,996,980</u>
31 December 2022	<u>1,379,330</u>	<u>952,939</u>	<u>1,697,630</u>	<u>4,029,899</u>

The company holds 100% of the 'A' shares in its subsidiary, The London Baptist Property Board Limited.

Restricted and Endowment Funds	Listed	Freehold	Total
	investments	investment	
	£	properties	£
		£	
Market value or valuation at 1 January 2023	1,709,034	789,980	2,499,014
Additions	325,868	-	325,868
Disposals	(1,026,020)	-	(1,026,020)
Revaluation surplus	54,514	-	54,514
Market value or valuation on 31 December 2023	<u>1,063,396</u>	<u>789,980</u>	<u>1,853,376</u>
Historical cost or probate value at 31 December 2023	<u>901,179</u>	<u>128,370</u>	<u>1,029,549</u>
Historical cost or probate value at 31 December 2022	<u>1,550,202</u>	<u>128,370</u>	<u>1,678,572</u>

TOTAL	Shares in	Listed	Freehold	Total
	LBPB	investments	investment	
	£	£	properties	£
			£	
Market value or valuation at 1 January 2023	1,379,330	2,669,844	2,717,830	6,767,004
Additions	-	658,200	-	658,200
Disposals	-	(1,380,578)	-	(1,380,578)
Revaluation surplus	-	63,500	-	63,500
Market value or valuation at 31 December 2023	<u>1,379,330</u>	<u>2,010,966</u>	<u>2,717,830</u>	<u>6,108,126</u>
Historical cost or probate value at 31 December 2023	<u>1,379,330</u>	<u>1,821,199</u>	<u>1,826,000</u>	<u>5,026,529</u>
31 December 2022	<u>1,379,330</u>	<u>2,503,141</u>	<u>1,826,000</u>	<u>5,708,471</u>

# THE LONDON BAPTIST ASSOCIATION

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2023 (continued)

### 4 LOANS TO CHURCHES – GROUP AND COMPANY

	Designated Fund	Restricted and Endowment Funds	2023 Total	Designated Fund	Restricted and Endowment Funds	2022 Total
	£	£	£	£	£	£
Permanent loans	21,010	568,699	589,709	21,010	615,228	636,238
Fixed loans	1,750	1,679,071	1,680,821	1,750	1,811,454	1,813,204
	<u>22,760</u>	<u>2,247,770</u>	<u>2,270,530</u>	<u>22,760</u>	<u>2,426,682</u>	<u>2,449,442</u>

Permanent loans are repayable on closure, withdrawal or sale of the site and are in most cases interest-free. Fixed-term loans are interest-free. These loans are predominantly payable after more than one year.

The group has the following capital commitments at 31 December:

	2023 £	2022 £
Loan facilities approved but not yet taken up	-	269,000

### 5a DEBTORS – GROUP

	2023 £	2022 £
Advances (financial assets measured at amortised cost)	2,654,371	2,966,466
Short-term loan	401,218	-
Prepayments and sundry debtors	27,008	18,401
Accrued income	109,792	5,794
	<u>3,192,389</u>	<u>2,990,661</u>

### 5b DEBTORS – COMPANY

	2023 £	2022 £
Short-term loan	401,218	-
Prepayments and sundry debtors	24,080	14,792
Accrued income	4,005	1,992
	<u>429,303</u>	<u>16,784</u>

### 6 ASSETS HELD FOR SALE – GROUP and COMPANY

	2023 £	2022 £
Property held for sale – Mark's Gate Church	1,000,000	-
Property held for sale – Clayhall Baptist Church	-	1,000,000

### 7a CREDITORS – GROUP

	2023 £	2022 £
Amounts falling due within one year		
7 day notice deposits and interest accrued	14,929,415	14,470,937
Sundry creditors and accruals	678,553	230,615
	<u>15,607,968</u>	<u>14,701,552</u>

### 7b CREDITORS – COMPANY

	2023 £	2022 £
Amounts falling due within one year		
Sundry creditors and accruals	670,297	220,950

**THE LONDON BAPTIST ASSOCIATION**

**NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2023 (continued)**

**8 UNRESTRICTED FUNDS – COMPANY**

	Designated Funds						Total Designated Funds £	General Fund £	Total Unrestricted Funds £
	Legacy Reserve Fund £	Peckham Rye Fund £	Mission Partnership Fund £	Ch Extn Reconstn Fund £	Thames Gateway Project £	Total Designated Funds £			
Balance at 1 January 2023	14,026	83,626	124,488	50,045	548,879	821,064	10,999,312	11,820,376	
Income	-	2,642	73,302	1,088	-	77,032	1,579,841	1,656,873	
Expenditure	-	(29,429)	(83,030)	-	-	(112,459)	(769,266)	(881,725)	
Net gains on investments	-	-	-	-	-	-	279,037	279,037	
Transfers	-	-	-	-	(40,463)	(40,463)	48,463	8,000	
Balance at 31 December 2023	14,026	56,839	114,760	51,133	508,416	745,174	12,137,387	12,882,561	

	Designated Funds						Total Designated Funds £	General Fund £	Total Unrestricted Funds £
	Legacy Reserve Fund £	Peckham Rye Fund £	Mission Partnership Fund £	Ch Extn Reconstn Fund £	Thames Gateway Project £	Total Designated Funds £			
Balance at 1 January 2022	14,026	-	91,140	49,655	548,879	703,700	7,826,353	8,530,053	
Income	-	91,742	116,828	390	-	208,960	3,798,694	4,007,654	
Expenditure	-	(8,116)	(83,480)	-	-	(91,596)	(538,556)	(630,152)	
Net (losses) on investments	-	-	-	-	-	-	(95,179)	(95,179)	
Transfers	-	-	-	-	-	-	8,000	8,000	
Balance at 31 December 2022	14,026	83,626	124,488	50,045	548,879	821,064	10,999,312	11,820,376	

**THE LONDON BAPTIST ASSOCIATION**

**NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2023 (continued)**

<b>9 RESTRICTED AND ENDOWMENT FUNDS – GROUP AND COMPANY</b>																					
	<b>JW</b>		<b>John Bradford Trust</b>		<b>Compassionate Trust</b>		<b>Hounslow BC Reserve</b>		<b>Clayhall Fund</b>		<b>Manse Trust Fund</b>		<b>TW Philpot Trust</b>		<b>Valley Mission Fund</b>		<b>TOTAL</b>				
<b>2023</b>	<b>Beaumont Trust Fund</b>	<b>£</b>	<b>John Bradford Trust</b>	<b>£</b>	<b>Compassionate Trust</b>	<b>£</b>	<b>Hounslow BC Reserve</b>	<b>£</b>	<b>Clayhall Fund</b>	<b>£</b>	<b>Manse Trust Fund</b>	<b>£</b>	<b>TW Philpot Trust</b>	<b>£</b>	<b>Valley Mission Fund</b>	<b>£</b>	<b>TOTAL</b>	<b>£</b>			
<b>RESTRICTED FUNDS</b>																					
Balance at 1 January 2023	6,645	574,636	9,994	80,100	-	917,080	3,766,188	113,396	5,468,039												
Total income	360	9,510	536	2,587	11,167	7,179	54,151	3,645	89,135												
Total expenditure	(1,000)	-	(1,205)	-	-	-	(15,226)	-	(17,431)												
Net gains/(losses) on investments	-	10,130	(207)	5,598	-	-	51,976	9,865	77,362												
Transfers between funds	-	(8,000)	-	-	-	-	-	-	(8,000)												
Balance at 31 December 2023	6,005	586,276	9,118	88,285	11,167	924,259	3,857,089	126,906	5,609,105												
<b>ENDOWMENT FUNDS</b>																					
Deposits with LBPB Limited	3,087	-	-	-	-	-	-	-	-												
<b>2022</b>																					
<b>RESTRICTED FUNDS</b>																					
Balance at 1 January 2022	7,062	592,767	11,479	85,904	-	906,500	3,881,576	124,140	5,609,428												
Total income	135	7,345	1,570	2,079	1,500	3,330	45,276	3,218	64,453												
Total expenditure	(552)	-	(2,535)	-	(1,500)	-	(18,675)	-	(23,262)												
Net (losses)/gains on investments	-	(17,476)	(520)	(7,883)	-	7,250	(141,989)	(13,962)	(174,580)												
Transfers between funds	-	(8,000)	-	-	-	-	-	-	(8,000)												
Balance at 31 December 2022	6,645	574,636	9,994	80,100	-	917,080	3,766,188	113,396	5,468,039												
<b>ENDOWMENT FUNDS</b>																					
Deposits with LBPB Limited	3,087	-	-	-	-	-	-	-	-												

A description of the nature and purpose of each fund and an explanation for the transfers is on pages 11 and 12 of the accounts.

# THE LONDON BAPTIST ASSOCIATION

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2023 (continued)

### 10 NET INCOME/(EXPENDITURE) FOR THE YEAR

This is stated after charging:

	2023		2022	
	Group £	Company £	Group £	Company £
Employment costs (see note 13)	378,518	317,871	278,158	219,276
Depreciation	3,299	279	2,442	5,841
Auditors' remuneration:				
Audit services	15,120	8,400	13,980	7,800
Preparation of financial statements	8,862	8,862	8,906	8,906

### 11 CHURCH CONTRIBUTIONS – GROUP AND COMPANY

	2023 £	2022 £
Other church contributions	132,732	124,312
	<u>132,732</u>	<u>124,312</u>

### 12 GRANTS

	2023				2022			
	No	Group £	No	Company £	No	Group £	No	Company £
Grants to churches and organisations	14	99,530	14	99,530	13	84,080	13	84,080
Individuals	4	1,205	4	1,205	11	3,987	11	3,987
		<u>100,735</u>		<u>100,735</u>		<u>88,067</u>		<u>88,067</u>

Material grants included above:

	2023 £	2022 £
London Turning	12,375	-
Shoreditch Tabernacle	13,000	-
Stoke Newington Baptist Church	1,655	-
Pinner FC	2,000	-
South Wales Baptist College	1,000	-
The Northern Baptist Association	10,000	-
Regents Park College	500	-
River Tree	5,000	-
Hebe Foundation	10,000	9,000
Mill Hill East Baptist Church	13,250	9,000
Old Lodge Lane Baptist Church	10,000	10,250
International Praise Centre	12,000	12,000
Third Space Ministries	7,000	7,000
Deep Water Baptist Church	1,750	7,500
Peckham Park Baptist Church	-	3,000
Stoke Newington Baptist Church	-	1,545
London Network Church	-	7,035
London Spanish Speaking Church	-	2,250
The Kings Cross Baptist Church	-	5,000
East Hill Baptist Church	-	9,000
Jamaica Appeal	-	1,500
	<u>99,530</u>	<u>84,080</u>

# THE LONDON BAPTIST ASSOCIATION

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2023 (continued)

### 13 SUPPORT TO CHURCHES

	2023		2022	
	Group £	Company £	Group £	Company £
Employment costs:				
Salaries	322,035	271,491	299,042	249,959
National Insurance – employers	25,053	19,959	24,497	19,376
Pension contributions – employers	31,430	26,421	30,104	25,426
Defined benefit scheme movement	-	-	(75,485)	(75,485)
	378,518	317,871	278,158	219,276
Printing and stationery	1,460	1,426	1,537	1,452
Postage and telephone	13,893	11,927	12,405	10,926
Premises costs	130,039	160,033	46,580	78,408
Professional fees	41,805	9,582	37,013	8,906
Committee and conference expenses	36,119	35,520	27,888	27,366
Computer and office equipment	14,838	12,283	10,300	7,958
Travel expenses	21,654	20,242	17,975	17,582
Subscriptions	4,652	4,652	4,605	4,605
Bank charges	1,030	1,105	873	290
Depreciation	3,299	279	2,442	5,841
Loan interest	580,908	3,299	175,405	-
Contributions to BUGB Home Mission	109,800	109,800	113,021	113,021
Grants (note 12)	100,735	100,735	88,067	88,067
Sundry expenses	20,829	18,312	20,810	17,835
Governance costs – auditors remuneration	15,120	8,400	13,980	7,800
	1,474,699	815,766	851,059	609,333

The average number of employees during the year was 11 (2022: 11). No employee earned £60,000 or more during the year (2022: none). Included in staff costs are £nil of redundancy costs (2022: £nil).

### 14 INVESTMENT INCOME

	2023		2022	
	Group £	Company £	Group £	Company £
Rent from investment properties	74,775	63,217	62,831	48,295
Dividends	88,700	76,944	97,256	85,843
Interest on short term deposits	633,913	58,822	131,375	14,641
	797,388	198,983	291,462	148,779

### 15 LIABILITIES FALLING DUE AFTER MORE THAN ONE YEAR

Repayment of the loans from the London Baptist Property Board Limited is only due on disposal of the relevant properties. Interest is payable at the current rate charged by the London Baptist Property Board Limited.

# THE LONDON BAPTIST ASSOCIATION

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2023 (continued)

### 16 MEMBERS

The company is limited by guarantee. The liability of the members is limited to £1 on the winding up of the company. The number of member churches at 31 December 2023 was 291.

### 17 REVALUATION RESERVE

	Investment Properties £	Investments £	Freehold Properties £	Total £
<b>2023 GROUP</b>				
Balance at 1 January 2023	2,129,038	218,957	506,193	2,854,188
Unrealised (losses)/gains on revaluations	(31,500)	58,751	(23,000)	4,251
Realised in the year	(341,098)	(40,436)	-	(381,534)
Balance at 31 December 2023	1,756,440	237,272	483,193	2,476,905

	Investment Properties £	Investments £	Freehold Properties £	Total £
<b>2023 COMPANY</b>				
Balance at 1 January 2023	891,830	166,703	444,193	1,502,726
Unrealised gains on revaluations	-	63,500	-	63,500
Realised in the year	-	(40,436)	-	(40,436)
Balance at 31 December 2023	891,830	189,767	444,193	1,525,790

	Investment Properties £	Investments £	Freehold Properties £	Total £
<b>2022 GROUP</b>				
Balance at 1 January 2022	2,061,498	627,822	489,193	3,178,513
Unrealised gains/(losses) on revaluations	67,540	(303,935)	17,000	(219,395)
Realised in the year	-	(104,930)	-	(104,930)
Balance at 31 December 2022	2,129,038	218,957	506,193	2,854,188

	Investment Properties £	Investments £	Freehold Properties £	Total £
<b>2022 COMPANY</b>				
Balance at 1 January 2022	862,290	563,650	444,193	1,870,133
Unrealised gains/(losses) on revaluations	29,540	(292,017)	-	(262,477)
Realised in the year	-	(104,930)	-	(104,930)
Balance at 31 December 2022	891,830	166,703	444,193	1,502,726

**THE LONDON BAPTIST ASSOCIATION**

NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2023 (continued)

**18 ANALYSIS OF NET ASSETS BETWEEN FUNDS**

<b>2023 GROUP</b>	<b>Tangible fixed assets £</b>	<b>Investments £</b>	<b>Loans to churches £</b>	<b>Net current assets £</b>	<b>Total £</b>
<b>Endowment Funds</b>	-	-	-	3,087	3,087
<b>Restricted Funds</b> (per note 9)	-	1,853,376	2,247,770	1,507,959	5,609,105
<b>Unrestricted Funds</b>					
Designated Funds	600,000	-	22,760	99,414	722,174
General Fund	6,979,455	4,323,229	-	3,327,927	14,630,611
	<u>7,579,455</u>	<u>6,176,605</u>	<u>2,270,530</u>	<u>4,938,387</u>	<u>20,964,977</u>

<b>2023 COMPANY</b>	<b>Tangible fixed assets £</b>	<b>Investments £</b>	<b>Loans to churches £</b>	<b>Net current assets £</b>	<b>Long Term Liabilities £</b>	<b>Total £</b>
<b>Endowment Funds</b>	-	-	-	3,087	-	3,087
<b>Restricted Funds</b> (per note 9)	-	1,853,376	2,247,770	1,507,959	-	5,609,105
<b>Unrestricted Funds</b>						
Designated Funds	600,000	-	22,760	213,998	(91,584)	745,174
General Fund	6,065,455	4,254,750	-	1,817,182	-	12,137,387
	<u>6,665,455</u>	<u>6,108,126</u>	<u>2,270,530</u>	<u>3,542,226</u>	<u>(91,584)</u>	<u>18,494,753</u>

<b>2022 GROUP</b>	<b>Tangible fixed assets £</b>	<b>Investments £</b>	<b>Loans to churches £</b>	<b>Net current assets £</b>	<b>Total £</b>
<b>Endowment Funds</b>	-	-	-	3,087	3,087
<b>Restricted Funds</b> (per note 9)	-	2,499,014	2,426,682	542,343	5,468,039
<b>Unrestricted Funds</b>					
Designated Funds	600,000	-	22,760	212,719	835,479
General Fund	6,443,029	5,015,718	-	1,994,574	13,453,321
	<u>7,043,029</u>	<u>7,514,732</u>	<u>2,449,442</u>	<u>2,752,723</u>	<u>19,759,926</u>

## THE LONDON BAPTIST ASSOCIATION

### NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2023 (continued)

#### 18 ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)

2022 COMPANY	Tangible fixed assets £	Investments £	Loans to churches £	Net current assets £	Long Term Liabilities £	Total £
Endowment Funds	-	-	-	3,087	-	3,087
Restricted Funds (per note 9)	-	2,499,014	2,426,682	542,343	-	5,468,039
Unrestricted Funds						
Designated Funds	600,000	-	22,760	289,888	(91,584)	821,064
General Fund	5,506,029	4,267,990	-	1,225,293	-	10,999,312
	<u>6,106,029</u>	<u>6,767,004</u>	<u>2,449,442</u>	<u>2,060,611</u>	<u>(91,584)</u>	<u>17,291,502</u>

#### 19 DIRECTORS AND RELATED PARTY TRANSACTIONS

3 directors (2022: 2) were reimbursed travel expenses of £3,161 (2022: £2,687).

Rev P Barnard, a director, received emoluments of £43,980 (2022: £42,670), pension contributions of £4,361 (2022: £5,358) and was provided with accommodation costing £36,000 (2022: £36,000) as permitted by the Memorandum of Association.

Retirement benefits are accruing to 1 (2022: 1) director under money purchase and defined benefit schemes.

The total employee benefits of the key management personnel of the charity were £220,628 (2022: £261,703).

#### 20 PENSIONS AND PROVISIONS

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.

The Defined Benefit Scheme is to be bought out in full in 2024, at which point all remaining liabilities will be removed from participating employers.

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 Ministers are eligible to join the Scheme.

## THE LONDON BAPTIST ASSOCIATION

### NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2023 (continued)

#### 20 PENSIONS AND PROVISIONS (continued)

##### 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. 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.

##### Movement in Balance Sheet liability

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

	2023	2022
	£	£
Brought forward	-	86,401
Deficiency contributions paid in year	-	(10,916)
Interest cost (recognised in SoFA)	-	1,619
Remaining change to balance sheet liability* (recognised in SoFA)	-	(77,104)
Carried forward	-	-

#### 21 INVESTMENTS IN SUBSIDIARIES

The London Baptist Association holds all of the 411 'A' voting shares in the London Baptist Property Board Ltd and 683 non-voting 'B' shares. The London Baptist Property Board Ltd serves the work of the Association by acting as holding trustee for the majority of the churches in membership with the Association and by offering a facility for deposit and loan fund accounts. The LBPB is a company, number 88218 and a registered charity number 249768. Its registered address is: Unit C2, 15 Dock Street, London E1 8JN.

Shareholder funds in the London Baptist Property Board Ltd at 31 December 2023 were £3,837,915 (2022: £3,836,115).

A summary of income and expenditure is as follows:

	2023	2022
	£	£
Income	874,362	358,849
Expenditure	(815,230)	(389,236)
Net expenditure before revaluations	59,132	(30,387)
(Losses)/gains on revaluations and disposals of fixed and investment assets	(57,332)	43,082
Net movement in funds	1,800	12,695

The subsidiary has been included in the consolidated accounts.

**THE LONDON BAPTIST ASSOCIATION**

England & Wales - Charity number 1091160

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# Accounts

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**THE LONDON BAPTIST ASSOCIATION**  
**REPORT OF THE DIRECTORS**  
**and**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 DECEMBER 2022**

**In membership with the  
Baptist Union of Great Britain**

**Charity Registration No: 1091160**

**Company Number: 04325272**

# THE LONDON BAPTIST ASSOCIATION

## COMPANY INFORMATION

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### DIRECTORS

Mr W Adetunji (appointed 8 October 2022)	Rev G Hindmarch (resigned 8 October 2022)
Rev A Afriyie	Miss N Idehen
Rev P Barnard	Mrs F Ogunyide
Rev Dr A Beavis (resigned 8 October 2022)	Mrs M Ross
Miss A Buhari	Rev J Schofield (resigned 8 October 2022)
Rev A Devaraj (appointed 8 October 2022)	Mr N Sherringham
Rev N Fernandez (appointed 8 October 2022)	Rev L Wright

### OFFICERS

Moderator	Rev A Afriyie
Regional Minister (Team Leader)	Rev P Barnard *
Regional Minister	Rev H Abdelmasih*
Regional Minister (part-time)	Rev W Bygrave*
Regional Minister (part-time)	Rev C Bostridge*
Regional Minister	Rev L Johnson*
Honorary Treasurer	Mrs F Ogunyide
Company Secretary	Mr N Kincaid*

The key management personnel (\*) are the Directors, the Regional Minister (Team Leader) together with the other Regional Ministers and the Company Secretary.

### SOLICITORS

Carter Lemon Camerons LLP  
3<sup>rd</sup> Floor  
20 King Street  
London EC2V 8EG

### SURVEYORS

Rapleys LLP  
66 St James' Street  
London SW1A 1NE

### BANKERS

Barclays Bank plc  
Barclays Commercial Bank  
1 Churchill Place  
London E14 5HP

HSBC Bank plc  
186 Broadway  
Didcot  
Oxfordshire OX11 8RP

### AUDITORS

Jacob Cavenagh & Skeet  
5 Robin Hood Lane  
Sutton  
Surrey SM1 2SW

### INVESTMENT MANAGERS

Rathbones  
8 Finsbury Circus  
London EC2M 7AZ

# **THE LONDON BAPTIST ASSOCIATION**

## **REPORT OF THE BOARD OF DIRECTORS FOR THE YEAR ENDED 31ST DECEMBER 2022**

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The Board of Directors has pleasure in reporting on the Financial Statements for the year ended 31 December 2022, which have been prepared in accordance with the Companies Act 2006, the Charities Act 2011 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)".

### **GOVERNANCE AND MANAGEMENT**

The London Baptist Association (LBA) is a company limited by guarantee and registered in England (number 4352572) and is a registered charity (no 1091160). It was formed in November 2001 and began operating in 2002 when it took over the assets and liabilities of the former unincorporated Association which was formed in 1865. The company is governed by its Memorandum and Articles of Association (revised October 2002, June 2009, June 2010 and July 2016). The board of directors is partly elected or appointed by the member churches and partly co-opted. Baptist churches are admitted into membership by the passing of an ordinary resolution. The directors establish the strategy of the Association, which is implemented by the Regional Ministers, other members of staff, committees and working groups.

The directors of the LBA appoint the directors of the London Baptist Property Board Ltd (a subsidiary company).

### **PRINCIPAL ACTIVITIES AND OBJECTS**

The object of the company is the advancement of Christianity in and through its member churches individually and acting together, in accordance with the principles of the Baptist denomination. The Association is affiliated to the Baptist Union of Great Britain. The company seeks to fulfil its purpose through resourcing, supporting and encouraging the life and mission of its member churches.

The activities of The London Baptist Property Board Limited (LBPB), the subsidiary, are principally to act as the custodian trustee for Baptist churches, to provide loans and to accept deposits to finance the provision of church premises and manses.

### **THE ASSOCIATION'S ACTIVITIES AND PUBLIC BENEFIT**

The Directors are aware of and have had regard to the Charity Commission's published guidance on public benefit. The company serves the public benefit by the advancement of the Christian faith in and through its member churches. The company acts as an umbrella body for its member churches, which are all separate charities, serving the public benefit.

2022 saw the Association and its churches continue to recover from the incredible difficulties of the COVID-19 pandemic, only to then face the uncertainty and impact of a cost-of-living crisis partly triggered by the Russian Invasion of Ukraine. Whilst churches have now returned to more of a regular post-COVID existence, albeit in large parts substantially smaller in membership, the challenge of utilities inflation and reduced giving due to members' own personal finances brought significant financial challenges to many congregations. This too has significantly impacted the giving to Home Mission which, in 2022, was substantially under national target. Indeed, two thirds of the national shortfall was represented by London alone. That coupled with a low receipt of legacies represents a significant challenge.

The Association team continues to encourage and support churches and ministers in these uncertain and anxious times. Just as with COVID, these are difficult moments for communities and ministers must shoulder much in the way of responsibility for their own members' hopes and fears. Stress and mental health challenges are widespread in society and our churches are having to support those who are struggling. The Association staff team regularly visit churches and ministers, both individually and in local clusters, for encouragement and advice. In particular we have kept a close eye on those churches struggling to heat their buildings. Fortunately, there have been plenty of examples of our member churches on fixed rate tariffs – and using that to their advantage through the initiative of 'warm banks'.

## THE LONDON BAPTIST ASSOCIATION

### REPORT OF THE BOARD OF DIRECTORS FOR THE YEAR ENDED 31ST DECEMBER 2022 (CONTINUED)

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The Association staff team, despite mostly still working from home and in their geographical areas, are now regularly coming into our Dock Street offices for meetings of all types. The Regional Team are generally to be found there most Tuesdays with other staff. And the offices are being used for all sorts of regional and national meetings now. A great use of our asset for the help of our network of churches.

Our relationships with the churches and ministers continues to remain strong and steadfast with regular visits and preaches from the Regional Team. This despite theological tensions caused in our family of churches through the consideration of a change to the Ministerial Recognition Rules brought to Baptist Union Council in March 2022. It has been suggested that the rules be changed to allow people in same-sex marriages to be accredited as Baptist Ministers. This has caused enormous tension across our movement and the matter is still under discussion. Consequently, we arranged an online survey in July/August 2022 to ascertain the views of our churches and ministers in this controversial matter. It would be true to say that the London churches are broadly evangelical in nature and mostly traditional in many of their views. It has recently been announced that a final decision on this rule change will be made in March 2024.

The Revd. Phil Barnard and The Revd. Lee Johnson continue represent the regional team as directors of the London Baptist Property Board. They provide valuable contributions on individual church situations 'on the ground' for the purposes of buildings developments, loans and trust matters. It was good to celebrate the opening of a new building of Battersea Chapel Baptist Church on their 350<sup>th</sup> Anniversary no less and witness the completed refurbishment of Worcester Park Baptist Church. The Team Leader, Phil Barnard, was glad to preside over both civic openings. The Property Board, which has undergone a strategic review, have created two films promoting their support of the churches and one of them features the Worcester Park project, one which we helped fund via a loan.

Towards the end of the year, Lee was appointed to become Ministries Team Co-Leader at Baptist House and we said a sad farewell to our colleague as he took up the role in January 2023. Lee has made a huge contribution to the life of the Association for the four years in his role; especially within the Ministerial Recognition Committee and the Property Board. He will be greatly missed.

In anticipation of Lee's departure to Baptist House – and also Rev. Carol Bostridge's retirement in July 2023, the Association Board of Directors agreed to pursue the recruitment of their successor regional ministers. Through an advertising and interview process in October and November, we were pleased to appoint three individuals to the team: The Revd. Claire Nicholls (currently minister of New Addington Baptist Church), The Revd. Lucy Wright (currently minister of Eltham Park Baptist Church – and also LB Director); and The Revd. Josh Kane (currently minister of Mill Hill East Church). Claire and Lucy will be full-time with the Association and commence service in April 2023 once working their notice period. Josh will be part-time and remain in post at his current church, alongside his wife, Rachel.

More broadly, the Regional Team represent the Association in a variety of contexts. The Team Leader continues to represent the Association nationally as part of the Baptists Together Core Leadership Team, Baptist Union Council and the Children Youth and Families Round Table. He also moderates the Regional Team Leaders group, and is a member and trustee of the ecumenical London Church Leaders charity. In 2022, he was able to also represent the Baptist Union at the Baptist World Alliance General Meeting in Birmingham, Alabama in the United States of America.

The Revd. Hany Abdelmasih represents the Association nationally as part of the BUGB Mission Forum and Small Churches Network. He has also continued to develop our Intercessory Prayer Group and Chaplains Connect Group – and, in a new development, has helped to establish a Refugee Network for those churches working amongst asylum seekers and migrant groups. Until his departure, the Revd. Lee Johnson continued as a member of the National Ministerial Recognition Committee and is now also involved in Churches Together in Essex and East London (CTEEL). The Revd. Carol Bostridge continues to represent the Association on the steering group of Churches Together in South London. The Revd. Winston Bygrave makes significant contributions in the area of theological and lay training; both within and beyond his geographical pastoral area.

# THE LONDON BAPTIST ASSOCIATION

## REPORT OF THE BOARD OF DIRECTORS FOR THE YEAR ENDED 31ST DECEMBER 2022 (CONTINUED)

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Mr. Pete Herbert-James, our Children's Youth and Families Lead, continues to balance his part-time role with his ongoing training for the Baptist Ministry at South Wales Baptist College. September 2022 saw him enter his final year of training and he and his wife, Jo, are discerning future opportunities. Pete, who leads our Youth Forum, has continued to provide opportunities for networking and training amongst church workers. He also continues to support the internship programme and offer training and mentoring to younger leaders in our churches.

Mrs. Rachel Swaby, the LB Safeguarding Lead, continues to provide an excellent support service to our churches in terms of safeguarding cases and training. It is an onerous responsibility and one which could quite easily take up a full-time position. We are grateful for Rachel's tenacity and diligence in this area. She continues to work closely with the national team based at Baptist House and has brought her considerable influence to bear in the national scene.

Mr. Michael Brown was appointed in May 2022 as our first Communications Lead. The Board felt that this would release the regional team from the burden of managing our website, Mailchimp and social feeds. We also wanted to improve our communications strategy. Mike made a strong start and developed branding guidelines, improvements to our Mailchimps and website, and assisted the Property Board with their communications. Unfortunately, after seven months, he was offered a full-time position with BMS World Mission. We are grateful for all he offered to us in the short time in our employment.

We said farewell to our long-time Small Churches Connexion enabler, Mrs Hilary Taylor. Hilary, and her husband Martin, have moved out of the London area to the Home Counties. We placed on record our warm affection and appreciation of all that Hilary has contributed to our family of churches for around eighteen years. Her voluntarism and commitment to establishing our Small Church Connexion was truly exemplary. Her role has led to a complete review of how we support smaller churches, educating the Regional Team in London and indeed in other associations. Mrs. Fran Bellingham (Bromley Common) has taken up a role in co-ordinating the Connexion now that Hilary has moved on.

Our third-year cohort of interns concluded their year with us in the summer of 2022. In September 2022, we welcomed two new interns: Mrs. Jennifer Esposito and Miss. Anna Adeleye. Jennifer is placed at Cross Street BC in Islington, whilst Anna is placed at Mill Hill Church. Alongside the internship, we have continued our Young Leaders online training programme which has several younger lay leaders participating on a regular basis.

### **LBA Board**

We continue to hold all of our Directors meetings online and did so throughout 2022. This will continue for the foreseeable future although we will occasionally meet for awaydays and did so on the 5<sup>th</sup> March at The Highbury Centre.

Our AGM was held on the 8<sup>th</sup> October 2022 at Westbourne Park Baptist Church. Despite the concerns over quorum, it was well-attended. We did, however, pass a resolution allowing the Board to organise online or hybrid AGMs in future. There were three vacancies for the Board as The Revd. Alan Beavis, The Revd. Gordon Hindmarch and The Revd. Joel Schofield all had come to the end of their second three year term. We would want to place on record our gratitude to our outgoing colleagues for all they have offered to the Association these last six years. At the election, the churches appointed three new Directors: The Revd. Dr. Amutha Deveraj (Ashurst Drive BC), The Revd. Nestor Fernandez (Cross Street BC) and Mr. Adewole Adetunji (Emmanuel BC, Thamesmead).

Four member churches elected to close in 2022. iHope – a small outreach to the Asian community in East London – had long expected to close when their founder retired. E1 Community Church, a church plant in Shadwell, closed at Easter. And two longer term members of the Association – Peckham Rye Baptist

# THE LONDON BAPTIST ASSOCIATION

## REPORT OF THE BOARD OF DIRECTORS FOR THE YEAR ENDED 31ST DECEMBER 2022 (CONTINUED)

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Tabernacle and Clayhall Baptist Church, Ilford – closed in July and December respectively. This means the Association membership now stands at 291 churches.

The two closures in Peckham and Ilford had four tangible assets which reverted to the Association under the ultimate trust. It is hoped that the Peckham Rye Baptist Tabernacle site will be developed into a new innovative form of outreach and we will be taking that forward in 2023. The attached manse of this former church will remain tenanted by the former pastor as he and his wife foster care their grandchildren for up to five years. Clayhall Baptist Church is likely to be sold to part-fund a new manse for the Regional Team – with the remaining proceeds placed into our investment portfolio. The manse of said church is currently tenanted and may well remain a source of investment income for the Association.

### Other significant events

Our annual Ministers Conference was organised in person for the first time in two years and held at High Leigh Conference Centre (Hoddesdon) on 7-9 February. We were pleased to welcome Rev. Hayley Young (NBA Transitional Strategic Lead) & Prof. Robert Beckford as keynote speakers. The Team Leader also offered his traditional 'state of the union' address. We were blessed to have around 130 ministers and guests in attendance and welcomed Steve and Velveta Thompson as our guest worship leaders.

### Pensions

The pension crisis in the Baptist Union has been brought to a sustainable position through the 'Family Solution' being put in place for the Minister's DB scheme and we were pleased to benefit from the latest developments to remove this liability in its entirety. Due to the 'Buy In' process overseen by BUGB the deficit payments have now been suspended for scheme participants. This is a remarkable event given the situation we faced five years ago. It is to be hoped that 'Buy Out' (where the scheme is handed over to an insurance company) should happen during 2023.

### Future vision

Looking ahead into 2023, the Directors of the Association have outlined several clear objectives. A major challenge in the coming year is the retirement of our Company Secretary, Norman Kincaid, in August. He will leave big shoes to fill and we will seek to start recruiting his successor after Easter.

- To establish and induct the new team of Regional Ministers
- To recruit and transition the Association Administrator/Company Secretary position.
- To develop a financial strategy whereby the Association can be less reliant on HM receipts
- To take the Peckham Rye Development to the next stage; a feasibility study.
- To recruit a new moderator for the Board
- Development of a strategy for impending church closures and replants
- To encourage our representatives to contribute to topics at national level including the revised funding formula, LGBT+ issues, safeguarding polices, CYF mission, etc.
- To continue the development of young leaders via the internship programme
- Continue to support churches as they reimagine church and manage issues in these changing times.

# THE LONDON BAPTIST ASSOCIATION

## REPORT OF THE BOARD OF DIRECTORS FOR THE YEAR ENDED 31ST DECEMBER 2022 (CONTINUED)

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Alongside the tasks and events, the company continued with its core activities. The Association largely fulfils its objects through the work of the LBA Regional Ministry Team. All of the team offers support and encouragement to member churches and have been challenged by several especially difficult situations.

The directors met on six occasions during the year to conduct the business of the LBA, discharge their responsibility for the charity's finances, and oversee the implementation of the agreed strategy. The induction of new directors of the Board was overseen by the Company Secretary, Moderator, and the Team Leader.

The work of the team has been complemented by others who work for the Association in a part-time or voluntary capacity. The District Ministers offered encouragement to fellow ministers in their respective districts and, during the pandemic, online gatherings have increased turnout.

Despite all working from home, the work of the office staff has again been invaluable in furthering the work of the Association. Mr. Norman Kincaid, the Association's Administrator, has provided excellent support to member churches, Regional Ministers and directors and has run the Association's administration with calm efficiency.

Mrs. Deborah Scott, our Finance Officer, continues to diligently oversee the books of both the Association and Property Board.

The Mission Partnership Funding Committee awarded funding to 12 churches, totalling £84,080. Dr. Colin Hicks has responsibility for administering the application process which had included running several workshops to explain the criteria and assessment process.

The Ministerial Recognition Committee met on six occasions during the year, initially using Zoom but transitioning back to face-to-face interviews later in the year. Eleven new candidates were interviewed of whom ten were commended as potential ministerial candidates. Seven people were also interviewed to become Nationally Recognised Pastors. Additionally, twelve Newly Accredited Ministers were interviewed at the end of their probationary periods and commended for full accreditation. A further seven NAMs were interviewed to review their mid-term progress.

The key management personnel of the charity as listed on page 1 are in charge of directing, controlling, running and operating the charity on a day-to-day basis. Details of directors' remuneration, expenses and related party transactions are disclosed in Note 19 to the financial statements.

The pay of senior staff is reviewed annually and normally increased in accordance with average earnings. These awards are decided by the directors but generally follow guidelines from BUGB who decide the standard stipend nationally for Baptist ministers.

The Home Mission appeal in London reduced by some 10.5% compared to the previous year, some £94,500 short of the combined (donations plus subscriptions) budget target of £585,000. Churches in membership with the LBA contributed £377,475 (2021: £426,025) to the Baptist Union Home Mission Fund appeal and £113,021 (2021: £121,720) from subscriptions to the LBA from member churches. Lower subscription revenue also reflects reduced membership numbers in churches.

# THE LONDON BAPTIST ASSOCIATION

## REPORT OF THE BOARD OF DIRECTORS FOR THE YEAR ENDED 31ST DECEMBER 2022 (CONTINUED)

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### PLANS FOR THE FUTURE

#### *Stepping out in confidence*

- With the appointment of the new team, we suspect 2023 may take more positive steps towards innovation and church planting. As it is, we have the Peckham Rye Tabernacle development but we also want to consider how we can actively encourage church planting in new locations in different forms.
- Most of our work still revolves around helping our 'establishment churches' transition to a new way of working but we also expect to look at new opportunities for mission and ministry.

#### *Issues in Human Sexuality*

- The national debate on the MR Rules has caused much in the way of stress and tension for many. We suspect that 2023 will require ongoing support and counsel offered by the Regional Team to our ministers and churches on this matter as the Baptist Union roll out a widespread consultation on the matter.
- We held a 'Fresh Streams Theology School' on the issue of Human Sexuality at Mill Hill East Church on Saturday 28<sup>th</sup> February. About 50 attended and it was a healthy day of dialogue and listening.

#### *How to be a Christian in a Post-Christian Age*

- The Ministers Conference met again in person at High Leigh on 6-8 February 2023. The theme was 'How to be a Christian in a Post-Christian Age' and the keynote speakers were The Right. Revd. Graham Tomlin (former Bishop of Kensington) alongside the Team Leader. 130 people attended across the three days and it was an uplifting and encouraging time.

#### *Finance & Strategy*

- The Home Mission Appeal in 2022 fell badly short of target and, unlike in 2021, there were no legacies to fall back upon.
- Baptist Union Council continues to engage with 'Tricordant' (a management consultancy) about how we can as a movement, improve this situation. We suspect more cast iron ideas will solidify in 2023.
- We continue to support churches through Mission Partnership Grants but we are also seeing a decline in applications. At present we only support around six projects and we think the lack of applications reflects a lack of resources in the local church to 'match fund' these projects. We will continue to review this.

### SUMMARY OF FINANCIAL ACTIVITIES FOR THE YEAR

The financial results of the year 2022 are set out in the accompanying financial statements. With regard to the company accounts, there was a positive movement for the year £3,148,934 (2021: £647,092) after revaluation losses of £269,759 (2021: gains of £383,616) taking the total net assets of the LBA, including restricted and endowment funds, to £17,291,502 (2021: £14,142,568). The surplus includes £3,110,000 donations of property following the closure of Peckham Rye and Clayhall Baptist Churches.

The Consolidated Statement of Financial Activities consequently shows a positive movement of funds in the year of £3,166,418 after consolidation adjustments. (2021:£792,727).

#### *Reserves policy*

The Directors consider the reserves policy annually. It is their intention to maintain a reserve that at a minimum would fund three months operating costs and up to six months operating costs. As at 31 December 2022, the free reserves of LBA (being the company unrestricted fund net current assets and listed investments) were £2,475,990 (2021: £1,390,888). The residual free reserves are considered to be adequate in line with the agreed policy.

# THE LONDON BAPTIST ASSOCIATION

## REPORT OF THE BOARD OF DIRECTORS FOR THE YEAR ENDED 31ST DECEMBER 2022 (CONTINUED)

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The principal source of regular general fund income in 2022 was a fixed sum grant from the Baptist Union and it is anticipated that such grants will be paid in future years. The source of this funding is the declining national Home Mission Appeal. The directors expect that the financial position of BUGB will therefore be constrained for some time and that grant funding will decrease, not increase, in future years, requiring the LBA to use its free reserves to pay some operating costs. The national formula for sharing the “family purse” remains under active review but no changes are expected before 2024 at the earliest.

The directors will also need to fund any expenditure on new projects to enhance the LBA’s work which go beyond core activities from reserves. The directors will continue to monitor the level of reserve held and to take decisions on expenditure which balance the needs of the present and the future.

### *Remuneration of directors*

The Regional Minister Team leader, who has served as a director in 2022, is entitled to receive remuneration from the Association under the terms of the Memorandum of Association. (Details are to be found at note 19.) Otherwise, the directors did not receive any remuneration or benefit in kind from the Association or its subsidiary company the London Baptist Property Board Ltd.

### *Investment policy*

An ethical investment policy is followed, which was reviewed during the year resulting in the exclusion of fossil fuel industry companies from our portfolios. The general policy is to deposit day-to-day funds with the London Baptist Property Board Limited. For investments of a more permanent nature, the LBA investment managers are consulted. Regular review meetings are held with the fund manager. Both the General Fund Portfolio (a balanced portfolio to provide income and growth) and the Philpot Trust Portfolio (managed principally to provide growth) performed reasonably well for the period against respective benchmarks. The charity has made such investments to generate a return and has made no social investments

With regard to the LBPB, the directors of the LBPB take a cautious approach to investment, seeking both to safeguard the capital held on behalf of churches and to retain sufficient short-term funds to meet potential demands by depositors or borrowers. With regard to longer term investments, the company holds Charifund income units with the intention of providing both income and capital growth. Investments have also been made in property with the dual aim of assisting the LBA or particular churches and bringing longer-term capital growth for the company. The short-term deposits are currently spread across five financial institutions, with returns being kept under regular review.

### *Grant making policy*

During the year, grants of £88,067 (2021: £177,996) were made to beneficiaries in accordance with the terms of the fund from which the grant was made. Grants are awarded in response to written applications which are assessed by the Finance Committee. The Committee has regard to the sums requested, project viability and the amounts available for distribution. The directors have delegated powers to the Finance Committee to award grants with a value of up to £5,000; grants in excess of that amount are referred to the directors for a decision with a recommendation from the Finance Committee.

This figure includes grants made under the Mission Partnership Funding Scheme funded by the national Home Mission Appeal. A separately designated Committee receives vision statements and full applications from member churches and has delegated authority to award funding within an agreed annual budget. Successful applicants must demonstrate the missional nature of their application and can be awarded funding for up to three years, subject to annual review.

### *Fundraising disclosure*

The Association does not directly get involved in fundraising activities with the general public but encourages all its member churches to contribute to the national Home Mission Appeal managed by the Baptist Union. Support is requested by occasional visiting preachers and by material available via the Baptist Union web site. All Association membership subscriptions from churches are transferred to this national Appeal. A

# THE LONDON BAPTIST ASSOCIATION

## REPORT OF THE BOARD OF DIRECTORS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2022 (CONTINUED)

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proportion of this Appeal is then allocated to the Association in line with a nationally agreed formula in line with other Associations as core funding and mission funding.

No professional fundraisers or other third parties are engaged and no complaints about our practices have been received. Funds are not sought from outside our own membership.

### *Risk Management*

The charity trustees acknowledge their responsibility for, and have given consideration to the major risks to which the charity is exposed and satisfied themselves that systems or procedures are established in order to manage and control those risks. The main risks identified and managed are:

- Issues around safeguarding and child protection in our churches are of great importance and carry a high level of potential risk. To this end, the appointment of a Safeguarding Lead was made a few years ago. Extensive training at Levels 2 & 3 is delivered to our ministers and other church leaders using the Baptist Union “Excellence in Safeguarding” material. Regular monitoring of levels of participation and effectiveness of this training takes place. Lines of reporting incidents of risk are clear and understood. Churches are offered clear guidance to write their own safeguarding policies.
- The business of the Association has financial reliance upon its member churches’ contributions to the national Home Mission Appeal which is the main income source. As pressure grows on our declining church membership with an ageing demographic, there is a risk that such funding may reduce in coming years. The Appeal is actively promoted by the Association and currently this risk is mitigated by the level of reserves held.
- The Association and its related designated and restricted trust funds carry an investment risk on reserves held. These investments are professionally managed and regularly monitored by other advisers to mitigate the risk. The Association and LBPB have agreed a relatively cautious and ethical agreed investment policy.
- There is a reputational risk to the Association relating to any incidents in our member churches which may be outside our direct control. The enhanced Regional Team is now more actively and pre-emptively engaged in assisting and advising churches on governance, pastoral, safeguarding and other issues to reduce these risks. Suitable trustee/employee indemnity insurance is in place.
- The operational risk of loss of data, computer hacking, cybercrime heightens each year. Upgraded network systems were implemented in tandem with our change of office location. Our support company has noticeably improved the technical aspects of this area and reduced the risk of loss or non-compliance significantly.
- Additional attention is being given to the risk of potential staff burnout by reviewing current supervision and line management procedures in respect of staff welfare.
- Other less serious risks in the areas of governance, finance, operations, compliance and environmental have also been identified and suitable control measures in place, reviewed annually by the trustees.

# THE LONDON BAPTIST ASSOCIATION

## REPORT OF THE BOARD OF DIRECTORS FOR THE YEAR ENDED 31ST DECEMBER 2022 (CONTINUED)

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### **Statement of Directors' Responsibilities**

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standard (United Kingdom Generally Accepted Accounting Policies).

Company law requires the directors 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 the group and of incoming resources and application of resources, including the income and expenditure of the charitable group for the period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- 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 Association will continue in its activities.

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

The directors are responsible for the maintenance and integrity of the corporate and financial information for the company included on its web-site. Legislation in the United Kingdom governing the preparation and dissemination of financial information may differ from legislation in other jurisdictions.

### **DISCLOSURE OF INFORMATION TO THE AUDITORS**

To the knowledge and belief of the directors, there is no relevant information that the company's auditors are not aware of, and the directors have taken all the steps necessary to ensure that the directors are aware of any relevant information, and to establish that the company's auditors are aware of this information.

The above report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

BY ORDER OF THE BOARD

Rev A Afriyie  
Moderator  
Unit C2, 15, Dock Street,  
London  
E1 8JN

9 May 2023

### **Designated Funds**

#### *Barnabas Fund*

This fund was created to enable gifts to be made to churches in particular need for any aspect of their work. It was renamed to signify its ministry of encouragement. The small balance remaining at the end of the year was transferred to general funds.

#### *Church Extension and Reconstruction Fund*

This fund was set up to help, by grant or interest-free loan, churches needing to carry out urgent building maintenance. Income is derived from grants from the London Baptist Property Board Limited.

#### *Legacy Reserve Fund*

Unrestricted legacies are placed into this fund and are used for purposes that the Board decides.

#### *Mission Partnership Funding*

This fund holds any unallocated balance of the annual budget received from BUGB for providing Mission Partnership Funding, as administered by the LBA Committee with responsibility for awarding this funding in line with their published criteria. This balance may be carried forward at year end and awarded to suitable applicants in future years.

#### *Thames Gateway Project*

This fund has received donations made by member churches in response to an appeal made in connection with plans to celebrate the third Christian millennium. The proceeds have been used to purchase a property in Britannia village, part of the newly developed Thames Gateway area. The property is used as a base for church planting.

#### *LBA Youth Fund*

This fund was established in response to a donation to the Association to be used for youth work in London. It is hoped that further gifts and grants will be received in future years. The money is available to the Youth Forum to assist in funding its initiatives.

#### *Peckham Rye Fund*

This fund received a one-off donation on the closure of the church in lieu of rent for a retired minister to remain in the manse for five years. The money is designated for future property costs and repairs.

### **Restricted Funds**

#### *J W Beaumont Trust Fund (an endowment fund)*

This fund was established to comply with the wishes of the executors of the estate of the late solicitor to the LBA, J W Beaumont. The main purpose is to assist lay persons with Christian training expenses.

#### *John Bradford Trust*

This trust fund enables permanent loans to be made from the capital, with repayment and interest if the church closes or leaves the Association, and term interest-free loans to be made from income. There is also provision for grants to be made from the income for the support of ministry and those training for ministry and for other charitable work of the Association. To qualify a church must be within a London Borough. Grants were made from this fund to support the safeguarding officer and the Youth worker during the year. These are shown as transfers.

#### *Compassionate Trust Fund*

This fund is financed by appeals to member churches to enable help to be given to ministers and their dependants in special need.

### **Restricted Funds (continued)**

#### *Hounslow Baptist Church Reserve*

This fund was created upon the closure of Broadway Baptist Church, Hounslow in 1978. Loans and grants are made from the fund for the support of ministry (in its widest sense) in the Greater London area. The fund has been supplemented in 2007 by proceeds from the closure of Harmondsworth Baptist Church.

#### *Manse Trust Fund*

This fund was created in 1984 when the Manse of Nunhead Baptist Church was sold, the church having closed in 1965. Additional funds were added during 1992 in connection with the former Haydon Park church in Wimbledon. Loans have been made to churches to help with the purchase of their manses. These loans are repayable with capital appreciation relating to house values at the time of repayment.

#### *T W Philpot Trust*

This derives from the will of the late Thomas W A Philpot and was for making interest-free loans to churches which are erecting new chapels. Such loans will normally amount to no more than 25% of the cost unless the Board of Directors agrees otherwise. The initial capital sum became available in 1956 and a further legacy of properties and investments has since become available following the cessation of a life interest. In 2006, the Charity Commission gave permission for the funds to be used for wider purposes. Interest-free loans can now be made for the building of new churches, the purchase of new buildings by churches and the extension of church premises.

#### *Valley Mission Fund*

This fund derives from the sale of Valley Mission, Biggin Hill. Under the ultimate trust, the income from the invested proceeds is available for evangelistic work in West Kent as decided by the Board of Directors.

#### *Pension Fund*

The Directors set aside this fund from the sale of a closed church property to provide a contingency fund for any member churches who have insufficient assets to cover their liabilities to the Baptist Ministers' Pension Scheme after a "cessation event" has taken place. This is designed to prevent the individual trustees of those churches potentially being required to cover the church debt from personal funds. The award of assistance from this fund is assessed by the directors on a case-by-case basis according to need.

This fund had been shown as restricted in previous years but should have been shown as designated. The directors do not think this reserve will be required in the future so it was released into general funds in 2021.

#### *Jamaica Appeal*

This fund was established in 2021 in response to a request from a member of Brixton Baptist Church that the Association made an appeal to our member churches for the work of the Jamaica Baptist Union (JBU). The JBU had been supporting communities who had experienced terrible flooding during the latter part of 2021 and the Trustees were glad to lend their support to this project. Churches were invited to make donations which were supplemented from the Association and passed across in full. Their gratitude was expressed in a letter written by their interim general secretary, Rev. Merlyn Hyde-Riley.

# THE LONDON BAPTIST ASSOCIATION

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE LONDON BAPTIST ASSOCIATION

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### Opinion

We have audited the financial statements of The London Baptist Association (the 'parent charity') and its subsidiary (the 'group') for the year ended 31 December 2022 which comprise the consolidated Statement of Financial Activities, the consolidated and parent Balance Sheets, the consolidated Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and 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 group's and of the parent company's affairs as at 31 December 2022 and of the group's surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

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

### Conclusions relating to going concern

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

### Opinions 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

### Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit: or

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
THE LONDON BAPTIST ASSOCIATION**

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- the directors 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 directors' report and from the requirement to prepare a strategic report.

**Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors 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 directors 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 directors are responsible for assessing the group's and the parent 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 directors either intend to liquidate the group or the parent 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:

Based on our understanding of the company, we identified that the principal risks of non-compliance with laws and regulations related to employment and financial reporting legislation and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and the Charities Act 2011.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by making enquiries of management, considering the internal controls in place and discussion amongst the engagement team.

We determined that the principal risks were related to the management bias in accounting estimates, valuation of properties, the inclusion and treatment of non cash transactions, presentation of separately disclosed items and the management override of controls. In response to the risks identified we designed procedures which included, but were not limited to:

- challenging the significant accounting estimates such as valuation of properties,
- reviewing trustee meeting minutes and enquiring into the occurrence and treatment of non cash transactions,
- agreeing financial statement disclosures to underlying supporting evidence,
- identifying and testing journal entries and
- evaluation the charity's internal controls.

There are inherent limitations in the audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion. A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**Use of our report**

This report is made solely to the 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 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Miriam Hickson FCA (Senior Statutory Auditor)  
for and on behalf of Jacob Cavenagh & Skeet  
Statutory Auditor  
Chartered Accountants**

Dated: .....

5 Robin Hood Lane  
Sutton  
Surrey  
SM1 2SW

# THE LONDON BAPTIST ASSOCIATION

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	Unrestricted Fund	Restricted Funds	Endowment Funds	2022	Unrestricted Fund	Restricted Funds	Endowment Funds	2021
		£	£	£	£	£	£	£	£
<b>Income from:</b>									
Donations and legacies:									
Baptist Union core funding		362,731	-	-	362,731	243,651	-	-	243,651
Church contributions	10	123,287	1,025	-	124,312	122,621	695	-	123,316
Grants		3,349,021	1,500	-	3,350,521	434,200	20,736	-	454,936
Investments	14	236,335	55,127	-	291,462	124,179	60,444	-	184,623
Charitable activities:									
Loan interest		139,836	-	-	139,836	99,468	-	-	99,468
Preaching Income		4,693	-	-	4,693	3,720	-	-	3,720
Events		23,736	-	-	23,736	-	-	-	-
Other		2,581	-	-	2,581	6,725	-	-	6,725
Other income:									
Coronavirus Job Retention Scheme grant		-	-	-	-	12,294	-	-	12,294
<b>Total income</b>		<b>4,242,220</b>	<b>57,652</b>	<b>-</b>	<b>4,299,872</b>	<b>1,046,858</b>	<b>81,875</b>	<b>-</b>	<b>1,128,733</b>
<b>Expenditure on:</b>									
Raising funds									
Investment property management costs		37,043	18,675	-	55,718	26,858	22,837	-	49,695
Charitable activities	11/12/13	846,472	4,587	-	851,059	803,898	27,028	-	830,926
Support to churches									
<b>Total expenditure</b>		<b>883,515</b>	<b>23,262</b>	<b>-</b>	<b>906,777</b>	<b>830,756</b>	<b>49,865</b>	<b>-</b>	<b>880,621</b>
Net (losses)/gains on investments		(69,097)	(174,580)	-	(243,677)	175,561	283,591	-	459,152
<b>Net income/(expenditure)</b>		<b>3,289,608</b>	<b>(140,190)</b>	<b>-</b>	<b>3,149,418</b>	<b>391,663</b>	<b>315,601</b>	<b>-</b>	<b>707,264</b>
Transfers between funds		1,199	(1,199)	-	-	302,958	(302,958)	-	-
Gains on revaluation of fixed assets	2a	17,000	-	-	17,000	85,463	-	-	85,463
<b>Net movement in funds</b>		<b>3,307,807</b>	<b>(141,389)</b>	<b>-</b>	<b>3,166,418</b>	<b>780,084</b>	<b>12,643</b>	<b>-</b>	<b>792,727</b>
<b>Reconciliation of funds</b>									
<b>Funds brought forward</b>		<b>10,980,993</b>	<b>5,609,428</b>	<b>3,087</b>	<b>16,593,508</b>	<b>10,200,909</b>	<b>5,596,785</b>	<b>3,087</b>	<b>15,800,781</b>
<b>Total funds carried forward</b>		<b>14,288,800</b>	<b>5,468,039</b>	<b>3,087</b>	<b>19,759,926</b>	<b>10,980,993</b>	<b>5,609,428</b>	<b>3,087</b>	<b>16,593,508</b>

# THE LONDON BAPTIST ASSOCIATION

## CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2022

	Note	2022		2021	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible fixed assets	2a		7,043,029		6,043,471
Investments	3a		7,514,732		6,540,565
Concessionary loans to churches	4		<u>2,449,442</u>		<u>2,525,820</u>
			17,007,203		15,109,856
<b>CURRENT ASSETS</b>					
Debtors (including £2,236,907 (2021: £2,570,099) recoverable after more than one year)	5a	2,990,661		3,724,727	
Assets held for sale	6	1,000,000		-	
Investments (Short term deposits)		6,955,980		7,075,354	
Cash held by stockbrokers		58,334		19,705	
Cash at bank		<u>6,449,300</u>		<u>2,705,746</u>	
		17,454,275		13,525,532	
<b>CREDITORS:</b>					
Amounts falling due within one year	7a	<u>(14,701,552)</u>		<u>(11,955,479)</u>	
<b>NET CURRENT ASSETS</b>					
			2,752,723		1,570,053
Total Assets less current liabilities			<u>19,759,926</u>		<u>16,679,909</u>
<b>PROVISIONS FOR LIABILITIES</b>	20		-		( 86,401)
<b>NET ASSETS</b>	18		<u>19,759,926</u>		<u>16,593,508</u>
<b>ENDOWMENT FUNDS</b>					
	9		3,087		3,087
<b>RESTRICTED FUNDS</b>					
Realised funds		4,647,597		4,540,938	
Revaluation reserve	17	<u>820,442</u>		<u>1,068,490</u>	
			5,468,039		5,609,428
<b>UNRESTRICTED FUNDS</b>					
Realised funds – Other funds		12,255,054		8,870,970	
Revaluation reserve	17	<u>2,033,746</u>		<u>2,110,023</u>	
			14,288,800		10,980,993
			<u>19,759,926</u>		<u>16,593,508</u>

The financial statements were prepared in accordance with the special provisions of the Companies Act 2006 relating to small companies and were approved by the Board of Directors on 9 May 2023 and signed on their behalf:

Moderator

Honorary Treasurer

Rev A Afriyie

Mrs F Ogunyide

# THE LONDON BAPTIST ASSOCIATION

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2022

		2022	2021
	<i>Note</i>	£	£
<b>Cash provided by/(used in) operating activities</b>	(i)	3,387,813	(902,556)
<b>Cash flows from investing activities</b>			
Dividends, interest and rents from investments		291,462	184,623
Proceeds on sale of investments		711,737	963,648
Purchase of investments		(804,580)	(525,047)
Net (receipts)/advances of long term loans to churches		76,377	(954,896)
<b>Cash provided by/(used in) investing activities</b>		<u>274,996</u>	<u>(331,672)</u>
<b>Increase /(decrease) in cash and cash equivalents in the year</b>		3,662,809	(1,234,228)
<b>Cash and cash equivalents as at 1 January</b>		<u>9,800,805</u>	<u>11,035,033</u>
<b>Cash and cash equivalents as at 31 December</b>		<u><u>13,463,614</u></u>	<u><u>9,800,805</u></u>

### (i) Reconciliation of net income to cash provided by/(used in) operating activities

<b>Net movement in funds</b>	3,166,418	792,727
Depreciation charges	2,442	10,902
Dividends, interest and rents from investments	(291,462)	(184,623)
Property grants in the year	(3,110,000)	-
Gains on tangible fixed assets	(17,000)	( 85,463)
Losses/(gains) on investment assets	243,677	(459,152)
Decrease/(increase) in debtors	734,066	(159,142)
Increase/(decrease) in creditors	<u>2,659,672</u>	<u>(817,805)</u>
	<u><u>3,387,813</u></u>	<u><u>(902,556)</u></u>

# THE LONDON BAPTIST ASSOCIATION

## COMPANY STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	Unrestricted Fund £	Restricted Funds £	Endowment Funds £	2022 £	Unrestricted Fund £	Restricted Funds £	Endowment Funds £	2021 £
<b>Income from:</b>									
Donations and legacies:									
Baptist Union core funding		362,731	-	-	362,731	243,651	-	-	243,651
Church contributions		123,287	1,025	-	124,312	122,621	695	-	123,316
Grants		3,404,475	1,500	-	3,405,975	505,080	20,736	-	525,816
Investments	14	86,851	61,928	-	148,779	51,104	60,870	-	111,974
Charitable activities:									
Preaching		4,693	-	-	4,693	3,720	-	-	3,720
Events		23,736	-	-	23,736	-	-	-	-
Other		1,881	-	-	1,881	5,425	-	-	5,425
Other income									
Coronavirus Job Retention Scheme grant		-	-	-	-	12,294	-	-	12,294
<b>Total income</b>		<b>4,007,654</b>	<b>64,453</b>	<b>-</b>	<b>4,072,107</b>	<b>943,895</b>	<b>82,301</b>	<b>-</b>	<b>1,026,196</b>
<b>Expenditure on:</b>									
Raising funds									
Investment property management costs		25,406	18,675	-	44,081	8,278	22,837	-	31,115
Charitable activities									
Support to churches	11/12/13	604,746	4,587	-	609,333	704,577	27,028	-	731,605
<b>Total expenditure</b>		<b>630,152</b>	<b>23,262</b>	<b>-</b>	<b>653,414</b>	<b>712,855</b>	<b>49,865</b>	<b>-</b>	<b>762,720</b>
Net (losses)/gains on investments		(95,179)	(174,580)	-	(269,759)	59,562	283,591	-	343,153
<b>Net income/expenditure</b>		<b>3,282,323</b>	<b>(133,389)</b>	<b>-</b>	<b>3,148,934</b>	<b>290,602</b>	<b>316,027</b>	<b>-</b>	<b>606,629</b>
Transfers between funds		8,000	(8,000)	-	-	303,384	(303,384)	-	-
Gains on revaluation of fixed assets	2b	-	-	-	-	40,463	-	-	40,463
<b>Net movement in funds</b>		<b>3,290,323</b>	<b>(141,389)</b>	<b>-</b>	<b>3,148,934</b>	<b>634,449</b>	<b>12,643</b>	<b>-</b>	<b>647,092</b>
<b>Reconciliation of funds</b>									
<b>Total funds brought forward</b>		<b>8,530,053</b>	<b>5,609,428</b>	<b>3,087</b>	<b>14,142,568</b>	<b>7,895,604</b>	<b>5,596,785</b>	<b>3,087</b>	<b>13,495,476</b>
<b>Total funds carried forward</b>		<b>11,820,376</b>	<b>5,468,039</b>	<b>3,087</b>	<b>17,291,502</b>	<b>8,530,053</b>	<b>5,609,428</b>	<b>3,087</b>	<b>14,142,568</b>

**THE LONDON BAPTIST ASSOCIATION**

COMPANY BALANCE SHEET  
AT 31 DECEMBER 2022

Company number: 04325272

	Note	2022		2021	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible fixed assets	2b		6,106,029		5,126,870
Investments	3b		6,767,004		5,818,918
Concessionary loans to churches	4		<u>2,449,442</u>		<u>2,525,820</u>
			15,322,475		13,471,608
<b>CURRENT ASSETS</b>					
Investments (Deposits with the London Baptist Property Board)		1,187,998		1,002,171	
Debtors	5b	16,784		4,917	
Assets held for sale	6	1,000,000		-	
Cash held by stockbrokers		58,334		19,705	
Cash at bank and in hand		<u>18,445</u>		<u>19,167</u>	
		2,281,561		1,045,960	
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>					
Sundry creditors	7b	<u>(220,950)</u>		<u>(197,015)</u>	
<b>NET CURRENT ASSETS</b>					
			2,060,611		848,945
<b>Total Assets less current liabilities</b>					
			<u>17,383,086</u>		<u>14,320,553</u>
<b>CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR</b>					
Loans from the London Baptist Property Board Limited			(91,584)		(91,584)
<b>PROVISION FOR LIABILITIES</b>	20		-		(86,401)
<b>NET ASSETS</b>	18		<u>17,291,502</u>		<u>14,142,568</u>
<b>REPRESENTED BY FUNDS:</b>					
<b>ENDOWMENT FUNDS</b>					
	9		3,087		3,087
<b>RESTRICTED FUNDS</b>					
Realised funds		4,647,597		4,540,938	
Revaluation reserve	17	<u>820,442</u>		<u>1,068,490</u>	
			5,468,039		5,609,428
<b>UNRESTRICTED FUNDS</b>					
Realised funds – Other funds	8	11,138,092		7,728,410	
Revaluation reserve	17	<u>682,284</u>		<u>801,643</u>	
			11,820,376		8,530,053
			<u>17,291,502</u>		<u>14,142,568</u>

Approved by the Board of Directors 9 May 2023 and signed on their behalf:

**Moderator**

**Honorary Treasurer**

Rev A Afriyie

Mrs F Ogunyide

# THE LONDON BAPTIST ASSOCIATION

## SUMMARY INCOME AND EXPENDITURE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2022

	2022		2021	
	Group £	Company £	Group £	Company £
Income	4,008,410	3,923,328	944,110	914,222
Interest and investment income	291,462	148,779	184,623	111,974
(Losses)/gains on investments	(243,677)	(269,759)	459,152	343,153
<b>Gross income in the reporting period</b>	<b>4,056,195</b>	<b>3,802,348</b>	<b>1,587,885</b>	<b>1,369,349</b>
Expenditure	904,335	647,573	869,719	753,336
Depreciation	2,442	5,841	10,902	9,384
<b>Total expenditure in the reporting period</b>	<b>906,777</b>	<b>653,414</b>	<b>880,621</b>	<b>762,720</b>
<b>Surplus for the year</b>	<b>3,149,418</b>	<b>3,148,934</b>	<b>707,264</b>	<b>606,629</b>

## STATEMENT OF COMPREHENSIVE INCOME

	2022		2021	
	Group £	Company £	Group £	Company £
Surplus for the year	3,149,418	3,148,934	707,264	606,629
Gains on revaluation of fixed assets	17,000	-	85,463	40,463
Comprehensive income for the year	<b>3,166,418</b>	<b>3,148,934</b>	<b>792,727</b>	<b>647,092</b>

**1 ACCOUNTING POLICIES**

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

**1.1 Accounting convention**

The financial statements have been prepared under the Companies Act 2006, the Charities Act 2011 and in accordance with the Charities Statement of Recommended Practice (Charities SORP (FRS 102)) and Financial Reporting Standard 102 (FRS 102). The accounts are prepared under the historical cost convention as modified by the revaluation of properties and investments.

The accounts include the results of the company's subsidiary, The London Baptist Property Board Limited. The results have been consolidated on a line by line basis.

The London Baptist Association meets the definition of a public benefit entity under FRS 102. The charity is a company limited by guarantee, incorporated in England and Wales.

**1.2 Unrestricted funds**

Unrestricted funds comprise the General fund and Designated funds. Designated funds represent monies which have been allocated for specific purposes by the Association. All Unrestricted fund income is accounted for once the charity has entitlement to the income, it is probable the income will be received and the amount of income receivable can be reliably measured. Unrestricted fund expenditure is accrued as soon as a liability is considered probable, discounted to present value for longer term liabilities.

**1.3 Restricted funds**

These are funds subject to specific conditions as to their use, which are binding on the Association. All Restricted fund income is accounted for at the time of receipt and expenditure accounted for when incurred. Income not expended in the year of receipt is carried forward until it is fully committed.

**1.4 Endowment funds**

Endowment funds represent the permanent capital of certain restricted funds.

**1.5 Properties**

Freehold and leasehold properties, whether shown as tangible fixed assets or investments, have been included at fair value. No depreciation has been charged on those properties held as tangible fixed assets on the basis that the residual value of the properties is so high as to render depreciation immaterial.

**1.6 Computers and equipment**

This is shown at cost and depreciated over 3 years. Equipment with a cost of over £1,000 is capitalised.

**1.7 Pension schemes**

The company contributes to defined benefit pension schemes. The assets of the schemes are held separately from those of the company and contributions are accounted for when due.

The company also makes contributions towards the deficit on the Baptist Pension Scheme and the Baptist Unions Staff Pension Scheme, under their deficit reduction schemes. A provision has been made for the total contributions due. This is detailed in Note 19.

**1.8 Investments**

Quoted investments are stated at fair value. An unquoted investment is stated at a valuation of the Finance Committee. Unrealised gains or losses in the year are reported in the statement of financial activities. Investments in subsidiaries are shown at cost. Where the Charity has initiated a plan to sell an asset and the sale is probable within one year, the asset held for sale is shown at the lower of the carrying amount and its fair value less costs to sell.

**1.9 Debtors**

Trade debtors and other debtors are included at the settlement amount due. Prepayments are valued at the amount prepaid.

**1.10 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 opening of the deposit.

# THE LONDON BAPTIST ASSOCIATION

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2022 (continued)

### 1.11 Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation arising 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 recognised at their settlement amount.

### 1.12 Financial instruments

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

### 1.13 Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

### 1.14 Income

Income, including grants, is recognised when the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

The Coronavirus Job Retention Scheme grant is recognised in the period to which the underlying furloughed staff costs relate.

### 1.15 Expenditure

Expenditure is recognised as soon as an outflow of economic benefit is probable, settlement will be required and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis.

Grants and donations are accounted for when paid over, or when awarded, if that award creates a binding obligation on the charity.

## 2a TANGIBLE FIXED ASSETS – GROUP

	Freehold Properties £	Leasehold Properties £	Computers and Equipment £	Total £
<b>Cost or valuation</b>				
1 January 2022	4,217,488	1,820,242	40,336	6,078,066
Additions	985,000	-	-	985,000
Disposals	-	-	-	-
Revaluation surplus	17,000	-	-	17,000
31 December 2022	<u>5,219,488</u>	<u>1,820,242</u>	<u>40,336</u>	<u>7,080,066</u>
<b>Depreciation</b>				
1 January 2022	-	-	34,595	34,595
Charge for the year	-	-	2,442	2,442
Released on disposal	-	-	-	-
31 December 2022	<u>-</u>	<u>-</u>	<u>37,037</u>	<u>37,037</u>
<b>Net Book Value</b>				
31 December 2022	<u>5,219,488</u>	<u>1,820,242</u>	<u>3,299</u>	<u>7,043,029</u>
31 December 2021	<u>4,217,488</u>	<u>1,820,242</u>	<u>5,741</u>	<u>6,043,471</u>
<b>Historical cost for land and buildings included at valuation:</b>				
31 December 2022	<u>4,713,295</u>	<u>1,820,242</u>		<u>6,533,537</u>
31 December 2021	<u>3,728,295</u>	<u>1,820,242</u>		<u>5,548,537</u>

The properties were last valued by the directors at 31st December 2022 on the basis of fair value. The valuations were made on the basis of information provided by Rapleys, who are professional surveyors.

# THE LONDON BAPTIST ASSOCIATION

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2022 (continued)

### 2b TANGIBLE FIXED ASSETS – COMPANY

	Freehold Properties £	Leasehold Properties £	Computers and Equipment £	Total £
<b>Cost or valuation</b>				
1 January 2022	3,297,488	1,820,242	34,601	5,152,331
Additions	985,000	-	-	985,000
Disposals	-	-	-	-
Revaluation surplus/(deficit)	-	-	-	-
31 December 2022	4,282,488	1,820,242	34,601	6,137,331
<b>Depreciation</b>				
1 January 2022	-	-	25,461	25,461
Charge for the year	-	-	5,841	5,841
Released on disposal	-	-	-	-
31 December 2022	-	-	31,302	31,302
<b>Net Book Value</b>				
31 December 2022	4,282,488	1,820,242	3,299	6,106,029
31 December 2021	3,297,488	1,820,242	9,140	5,126,870

Historical cost for land and buildings included at valuation:

31 December 2022	3,838,295	1,820,242	5,658,537
31 December 2021	2,853,295	1,820,242	4,673,537

### 3a INVESTMENTS – GROUP

	Listed investments £	Other investments £	Freehold investment properties £	Total £
<b>Valuation</b>				
1 January 2022	2,876,298	213,977	3,450,290	6,540,565
Additions	804,580	-	1,125,000	1,929,580
Disposals	(719,017)	-	-	(719,017)
Revaluation surplus	(292,017)	(11,919)	67,540	(236,396)
31 December 2022	2,669,844	202,058	4,642,830	7,514,732
<b>Historical Cost</b>				
31 December 2022	2,503,141	149,805	2,513,792	5,166,738
31 December 2021	2,312,648	149,805	1,388,792	3,851,245

The properties were last valued by the directors at 31st December 2022 on the basis of fair value. The valuations were made on the basis of information provided, according to the locality of the properties, by: Rapleys, who are professional surveyors.

All assets are held in the UK.

The listed investment portfolio comprises investments in British Government Stocks, UK quoted and unquoted equities and unit trust investments.

**THE LONDON BAPTIST ASSOCIATION**

NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2022 (continued)

**3b INVESTMENTS – COMPANY**

<b>General Fund</b>	<b>Shares in LBPB</b>	<b>Listed investments</b>	<b>Freehold investment properties</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Market value or valuation at 1 January 2022	1,379,330	976,840	788,190	3,144,360
Additions	-	351,622	1,125,000	1,476,622
Disposals	-	(271,480)	-	(271,480)
Revaluation (deficit)/surplus	-	(96,172)	14,660	(81,512)
Market value or valuation at 31 December 2022	<u>1,379,330</u>	<u>960,810</u>	<u>1,927,850</u>	<u>4,267,990</u>
Historical cost or probate value at 31 December 2022	<u>1,379,330</u>	<u>952,939</u>	<u>1,697,630</u>	<u>4,029,899</u>
31 December 2021	<u>1,379,330</u>	<u>834,950</u>	<u>572,630</u>	<u>2,786,910</u>

The company holds 100% of the 'A' shares in its subsidiary, The London Baptist Property Board Limited.

<b>Restricted and Endowment Funds</b>	<b>Listed investments</b>	<b>Freehold investment properties</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Market value or valuation at 1 January 2022	1,899,458	775,100	2,674,558
Additions	452,958	-	452,958
Disposals	(447,537)	-	(447,537)
Revaluation (deficit)/surplus	(195,845)	14,880	(180,965)
Market value or valuation on 31 December 2022	<u>1,709,034</u>	<u>789,980</u>	<u>2,499,014</u>
Historical cost or probate value at 31 December 2022	<u>1,550,202</u>	<u>128,370</u>	<u>1,678,572</u>
Historical cost or probate value at 31 December 2021	<u>1,477,699</u>	<u>128,370</u>	<u>1,606,069</u>

<b>TOTAL</b>	<b>Shares in LBPB</b>	<b>Listed investments</b>	<b>Freehold investment properties</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Market value or valuation at 1 January 2022	1,379,330	2,876,298	1,563,290	5,818,918
Additions	-	804,580	1,125,000	1,929,580
Disposals	-	(719,017)	-	(719,017)
Revaluation surplus	-	(292,017)	29,540	(262,477)
Market value or valuation at 31 December 2022	<u>1,379,330</u>	<u>2,669,844</u>	<u>2,717,830</u>	<u>6,767,004</u>
Historical cost or probate value at 31 December 2022	<u>1,379,330</u>	<u>2,503,141</u>	<u>1,826,000</u>	<u>5,708,471</u>
31 December 2021	<u>1,379,330</u>	<u>2,312,649</u>	<u>701,000</u>	<u>4,392,979</u>

# THE LONDON BAPTIST ASSOCIATION

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2022 (continued)

### 4 LOANS TO CHURCHES – GROUP AND COMPANY

	Designated Fund	Restricted and Endowment Funds	2022 Total	Designated Fund	Restricted and Endowment Funds	2021 Total
	£	£	£	£	£	£
Permanent loans	21,010	615,228	636,238	21,010	626,808	647,818
Fixed loans	1,750	1,811,454	1,813,204	1,750	1,876,252	1,878,002
	<u>22,760</u>	<u>2,426,682</u>	<u>2,449,442</u>	<u>22,760</u>	<u>2,503,060</u>	<u>2,525,820</u>

Permanent loans are repayable on closure, withdrawal or sale of the site and are in most cases interest-free. Fixed-term loans are interest-free. These loans are predominantly payable after more than one year.

The group has the following capital commitments at 31 December:

	2022	2021
	£	£
Loan facilities approved but not yet taken up	<u>269,000</u>	<u>656,500</u>

### 5 a DEBTORS – GROUP

	2022	2021
	£	£
Advances (financial assets measured at amortised cost)	2,966,466	3,691,341
Prepayments and sundry debtors	18,401	7,615
Accrued income	5,794	25,771
	<u>2,990,661</u>	<u>3,724,727</u>

### 5 b DEBTORS – COMPANY

	2022	2021
	£	£
Prepayments and sundry debtors	14,792	3,998
Accrued income	1,992	919
	<u>16,784</u>	<u>4,917</u>

### 6 ASSETS HELD FOR SALE – GROUP and COMPANY

	2022	2021
	£	£
Property held for sale – Clayhall Baptist Church	<u>1,000,000</u>	<u>-</u>

### 7 a CREDITORS – GROUP

	2022	2021
	£	£
Amounts falling due within one year		
7 day notice deposits and interest accrued	14,470,937	11,725,705
Sundry creditors and accruals	230,615	229,774
	<u>14,701,552</u>	<u>11,955,479</u>

### 7 b CREDITORS – COMPANY

	2022	2021
	£	£
Amounts falling due within one year		
Sundry creditors and accruals	220,950	197,015
	<u>220,950</u>	<u>197,015</u>

**THE LONDON BAPTIST ASSOCIATION**

NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2022 (continued)

**8 UNRESTRICTED FUNDS – COMPANY**

	Designated Funds					Total Designated Funds £	General Fund £	Total Unrestricted Funds £
	Legacy Reserve Fund £	Peckham Rye Fund £	Mission Partnership Fund £	Ch Extn Reconstn Fund £	Thames Gateway Project £			
2022								
Balance at 1 January 2022	14,026	-	91,140	49,655	548,879	703,700	7,826,353	8,530,053
Income	-	91,742	116,828	390	-	208,960	3,798,694	4,007,654
Expenditure	-	(8,116)	(83,480)	-	-	(91,596)	(538,556)	(630,152)
Net gains/(losses) on investments	-	-	-	-	-	-	(95,179)	(95,179)
Transfers	-	-	-	-	-	-	8,000	8,000
Balance at 31 December 2022	14,026	83,626	124,488	50,045	548,879	821,064	10,999,312	11,820,376

	Designated Funds						Total Designated Funds £	General Fund £	Total Unrestricted Funds £
	Legacy Reserve Fund £	Mission Partnership Fund £	Barnabas Fund £	Ch Extn Reconstn Fund £	Thames Gateway Project £	Youth Mission £			
2021									
Balance at 1 January 2021	14,026	102,476	160	49,605	508,416	-	674,683	7,220,921	7,895,604
Income	-	135,208	3	50	-	-	135,261	808,634	943,895
Expenditure	-	(146,544)	(160)	-	-	-	(146,704)	(566,151)	(712,855)
Net gains on investments	-	-	-	-	-	-	-	59,562	59,562
Gains on revaluation of fixed assets	-	-	-	-	40,463	-	40,463	-	40,463
Transfers									
From restricted Pension Fund	-	-	-	-	-	295,384	295,384	-	295,384
Close Pension Fund	-	-	-	-	-	(295,384)	(295,384)	295,384	-
Internal grant from John Bradford Trust	-	-	-	-	-	-	-	8,000	8,000
Close Barnabas Fund	-	-	(3)	-	-	-	(3)	3	-
Total transfers	-	-	(3)	-	-	-	(3)	303,387	303,384
Balance at 31 December 2021	14,026	91,140	-	49,655	548,879	-	703,700	7,826,353	8,530,053

# THE LONDON BAPTIST ASSOCIATION

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2022 (continued)

### 9 RESTRICTED AND ENDOWMENT FUNDS – GROUP AND COMPANY

	JW Beaumont Trust Fund £	John Bradford Trust £	Compass- ionate Trust Fund £	Hounslow BC Reserve £	Jamaica Appeal £	Manse Trust Fund £	TW Philpot Trust £	Valley Mission Fund £	TOTAL £
<b>2022</b>									
<b>RESTRICTED FUNDS</b>									
Balance at 1 January 2022	7,062	592,767	11,479	85,904	-	906,500	3,881,576	124,140	5,609,428
Total income	135	7,345	1,570	2,079	1,500	3,330	45,276	3,218	64,453
Total expenditure	(552)	-	(2,535)	-	(1,500)	-	(18,675)	-	(23,262)
Net gains/(losses) on investments	-	(17,476)	(520)	(7,883)	-	7,250	(141,989)	(13,962)	(174,580)
Transfers between funds	-	(8,000)	-	-	-	-	-	-	(8,000)
Balance at 31 December 2022	6,645	574,636	9,994	80,100	-	917,080	3,766,188	113,396	5,468,039

#### ENDOWMENT FUNDS

Deposits with LBPB Limited	3,087	-	-	-	-	-	-	-	3,087
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	JW Beaumont Trust Fund £	John Bradford Trust £	Compass- ionate Trust Fund £	Hounslow BC Reserve £	Interest Assistance £	Manse Trust Fund £	Pension Fund £	TW Philpot Trust £	Valley Mission Fund £	TOTAL £
<b>2021</b>										
<b>RESTRICTED FUNDS</b>										
Balance at 1 January 2021	7,599	568,542	9,970	78,752	-	862,419	295,384	3,665,087	109,032	5,596,785
Total income	15	6,230	1,147	3,696	20,736	5,695	-	43,641	1,141	82,301
Total expenditure	(552)	-	(740)	(5,000)	(20,736)	(3,026)	-	(19,811)	-	(49,865)
Net gains/(losses) on investments	-	25,995	1,102	8,456	-	41,412	-	192,659	13,967	283,591
Transfers between funds	-	(8,000)	-	-	-	-	(295,384)	-	-	(303,384)
Balance at 31 December 2021	7,062	592,767	11,479	85,904	-	906,500	-	3,881,576	124,140	5,609,428

#### ENDOWMENT FUNDS

Deposits with LBPB Limited	3,087	-	-	-	-	-	-	-	-	3,087
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A description of the nature and purpose of each fund and an explanation for the transfers is on pages 11 and 12 of the accounts.

**THE LONDON BAPTIST ASSOCIATION**

NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2022 (continued)

**10 CHURCH CONTRIBUTIONS – GROUP AND COMPANY**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Other church contributions	124,312	123,316
	<u>124,312</u>	<u>123,316</u>

**11 GRANTS**

	<b>2022</b>				<b>2021</b>			
	<b>No</b>	<b>Group</b>	<b>No</b>	<b>Company</b>	<b>No</b>	<b>Group</b>	<b>No</b>	<b>Company</b>
		<b>£</b>		<b>£</b>		<b>£</b>		<b>£</b>
<b>Grants in the period:</b>								
Other grants to churches and organisations	13	84,080	13	84,080	20	176,056	20	176,056
		<u>84,080</u>		<u>84,080</u>		<u>176,056</u>		<u>176,056</u>
Individuals:	11	3,987	11	3,987	4	1,940	4	1,940
		<u>88,067</u>		<u>88,067</u>		<u>177,996</u>		<u>177,996</u>

Material grants included above:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Peckham Park Baptist Church	3,000	-
Stoke Newington Baptist Church	1,545	-
London Network Church	7,035	9,380
Deep Water Baptist Church	7,500	8,000
London Spanish Speaking Church	2,250	10,000
Hebe Foundation	9,000	10,000
Mill Hill East Baptist Church	9,000	10,000
Old Lodge Lane Baptist Church	10,250	10,500
Third Space Ministries	7,000	11,375
The Kings Cross Baptist Church	5,000	11,542
East Hill Baptist Church	9,000	12,000
International Praise Centre	12,000	17,000
Jamaica Appeal	1,500	25,000
London Arabic	-	3,750
Kings Cross Baptist Church (Breathe)	-	6,416
E1 Community Church	-	7,975
Hersham Baptist Church	-	8,531
Bonny Downs Baptist Church	-	11,375
Other small grants	-	3,212
	<u>84,080</u>	<u>176,056</u>

# THE LONDON BAPTIST ASSOCIATION

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2022 (continued)

### 12 SUPPORT TO CHURCHES

	2022		2021	
	Group £	Company £	Group £	Company £
Employment costs:				
Salaries	299,042	249,959	301,057	248,635
National Insurance – employers	24,497	19,376	22,844	17,914
Pension contributions – employers	30,104	25,426	29,184	24,233
Defined benefit scheme movement	(75,485)	(75,485)	(2,543)	(2,543)
	278,158	219,276	350,542	288,239
Printing and stationery	1,537	1,452	458	395
Postage and telephone	12,405	10,926	10,988	9,635
Premises costs	46,580	78,408	31,021	62,353
Professional fees	37,013	8,906	33,226	4,253
Committee and conference expenses	27,888	27,366	3,115	2,596
Computer and office equipment	10,300	7,958	20,490	12,350
Travel expenses	17,975	17,582	10,289	10,278
Subscriptions (note 13)	4,605	4,605	4,649	4,649
Bank charges	873	290	960	271
Depreciation	2,442	5,841	10,902	9,384
Loan interest	175,405	-	19,176	-
Contributions to BUGB Home Mission	113,021	113,021	128,721	128,721
Grants (note 11)	88,067	88,067	177,996	177,996
Sundry expenses	20,810	17,835	15,553	13,405
Governance costs – auditors remuneration	13,980	7,800	12,840	7,080
	851,059	609,333	830,926	731,605

The average number of employees during the year was 11 (2021: 12). No employee earned £60,000 or more during the year. Included in staff costs are £nil of redundancy costs (2021: £3,765).

### 13 SUBSCRIPTIONS

	2022	2021
	£	£
Baptist Union of Great Britain	1,687	1,648
Evangelical Alliance	250	250
London Church Leaders' Secretary	100	100
Churches together in South London	2,568	2,508
Churches together in Essex and East London	-	143
	4,605	4,649

# THE LONDON BAPTIST ASSOCIATION

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2022 (continued)

### 14 INVESTMENT INCOME

	2022		2021	
	Group £	Company £	Group £	Company £
Rent from investment properties	62,831	48,295	54,005	42,793
Dividends	97,256	85,843	77,637	67,462
Interest on short term deposits	131,375	14,641	52,981	1,719
	<u>291,462</u>	<u>148,779</u>	<u>184,623</u>	<u>111,974</u>

### 15 LIABILITIES FALLING DUE AFTER MORE THAN ONE YEAR

Repayment of the loans from the London Baptist Property Board Limited is only due on disposal of the relevant properties. Interest is payable at the current rate charged by the London Baptist Property Board Limited.

### 16 MEMBERS

The company is limited by guarantee. The liability of the members is limited to £1 on the winding up of the company. The number of member churches at 31 December 2022 was 291.

### 17 REVALUATION RESERVE

	Investment Properties	Investments	Freehold Properties	Total
	£	£	£	£
<b>2022</b>				
<b>GROUP</b>				
Balance at 1 January 2022	2,061,498	627,822	489,193	3,178,513
Unrealised gains/(losses) on revaluations	67,540	(303,935)	17,000	(219,395)
Realised (losses) on disposals	-	(104,930)	-	(104,930)
Balance at 31 December 2022	<u>2,129,038</u>	<u>218,957</u>	<u>506,193</u>	<u>2,854,188</u>
<b>2022</b>				
<b>COMPANY</b>				
Balance at 1 January 2022	862,290	563,650	444,193	1,870,133
Unrealised gains/(losses) on revaluations	29,540	(292,017)	-	(262,477)
Realised (losses) on disposals	-	(104,930)	-	(104,930)
Balance at 31 December 2022	<u>891,830</u>	<u>166,703</u>	<u>444,193</u>	<u>1,502,726</u>

# THE LONDON BAPTIST ASSOCIATION

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2022 (continued)

### 17 REVALUATION RESERVE (Continued)

	Investment Properties £	Investments £	Freehold Properties £	Total £
<b>2021</b>				
<b>GROUP</b>				
Balance at 1 January 2021	1,894,708	620,519	403,730	2,918,957
Unrealised gains on revaluations	166,790	217,187	85,463	469,440
Realised (losses) on disposals	-	(209,884)	-	(209,884)
Balance at 31 December 2021	2,061,498	627,822	489,193	3,178,513
	Investment Properties £	Investments £	Freehold Properties £	Total £
<b>2021</b>				
<b>COMPANY</b>				
Balance at 1 January 2021	786,250	581,596	403,730	1,771,576
Unrealised gains on revaluations	76,040	191,938	40,463	308,441
Realised (losses) on disposals	-	(209,884)	-	(209,884)
Balance at 31 December 2021	862,290	563,650	444,193	1,870,133

### 18 ANALYSIS OF NET ASSETS BETWEEN FUNDS – GROUP

2022 GROUP	Tangible fixed assets £	Investments £	Loans to churches £	Net current assets £	Total £
<b>Endowment Funds</b>	-	-	-	3,087	3,087
<b>Restricted Funds</b> (per note 9)	-	2,499,014	2,426,682	542,343	5,468,039
<b>Unrestricted Funds</b>					
Designated Funds	600,000	-	22,760	212,719	835,479
General Fund	6,443,029	5,015,718	-	1,994,574	13,453,321
	7,043,029	7,514,732	2,449,442	2,752,723	19,759,926

2022 COMPANY	Tangible fixed assets £	Investments £	Loans to churches £	Net current assets £	Long Term Liabilities £	Total £
<b>Endowment Funds</b>	-	-	-	3,087	-	3,087
<b>Restricted Funds</b> (per note 9)	-	2,499,014	2,426,682	542,343	-	5,468,039
<b>Unrestricted Funds</b>						
Designated Funds	600,000	-	22,760	289,888	(91,584)	821,064
General Fund	5,506,029	4,267,990	-	1,225,293	-	10,999,312
	6,106,029	6,767,004	2,449,442	2,060,611	(91,584)	17,291,502

# THE LONDON BAPTIST ASSOCIATION

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2022 (continued)

2021 GROUP	Tangible fixed assets £	Investments £	Loans to churches £	Net current assets £	Long Term Liabilities £	Total £
<b>Endowment Funds</b>	-	-	-	3,087	-	3,087
<b>Restricted Funds</b> (per note 9)	-	2,674,558	2,503,060	431,810	-	5,609,428
<b>Unrestricted Funds</b>						
Designated Funds	600,000	-	22,760	125,679	-	748,439
General Fund	5,443,471	3,866,007	-	1,009,477	(86,401)	10,232,554
	<u>6,043,471</u>	<u>6,540,565</u>	<u>2,525,820</u>	<u>1,570,053</u>	<u>(86,401)</u>	<u>16,593,508</u>

2021 COMPANY	Tangible fixed assets £	Investments £	Loans to churches £	Net current assets £	Long Term Liabilities £	Total £
<b>Endowment Funds</b>	-	-	-	3,087	-	3,087
<b>Restricted Funds</b> (per note 9)	-	2,674,558	2,503,060	431,810	-	5,609,428
<b>Unrestricted Funds</b>						
Designated Funds	600,000	-	22,760	172,524	(91,584)	703,700
General Fund	4,526,870	3,144,360	-	241,524	(86,401)	7,826,353
	<u>5,126,870</u>	<u>5,818,918</u>	<u>2,525,820</u>	<u>848,945</u>	<u>(177,985)</u>	<u>14,142,568</u>

### 19 DIRECTORS AND RELATED PARTY TRANSACTIONS

2 directors (2021: 2) were reimbursed travel expenses of £2,687 (2021: £1,144).

Revd P Barnard, a director, received emoluments of £42,670 (2021: £40,603) and pension contributions of £5,358 (2021: £3,930) as permitted by the Memorandum of Association.

Retirement benefits are accruing to 1 (2021: 1) director under money purchase and defined benefit schemes.

The total employee benefits of the key management personnel of the charity were £225,703 (2021: £208,365).

### 20 PENSIONS and PROVISIONS

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

For any month, each participating employer in the Scheme pays contributions as set out in the Schedule of Contributions in force at that time.

The Scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This is because it is not possible to attribute the Scheme's assets and liabilities to specific employers and means that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are contributions payable towards benefits and expenses accrued in that year, plus any impact of deficiency contributions (see below).

# THE LONDON BAPTIST ASSOCIATION

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2022 (continued)

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The Regional Ministers and staff are eligible to join the Scheme. 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%.

### Actuarial valuation as at 31 December 2019

A formal valuation of the DB Plan as at 31 December 2019 was carried out by a professionally qualified Actuary using the Projected Unit Method. At the valuation date the market value of the DB Plan assets was £298 million, whilst the level of assets needed to pay benefits was £316m, giving a deficit of £18m (equivalent to a past service funding level of 94%). The Church and the other participating employers in the DB Plan are collectively responsible for funding this deficit.

The key assumptions underlying the valuation were as follows:

Type of financial assumption	% pa
RPI price inflation assumption	3.20
CPI price inflation assumption	2.70
Minimum Pensionable Income increases (RPI)	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	
- Main Scheme pension	2.70

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 is due to take place not later than as at 31 December 2022.

### 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.

# THE LONDON BAPTIST ASSOCIATION

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2022 (continued)

### 20 PENSIONS (continued)

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.

#### Movement in Balance Sheet liability

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

	2022	2021
	£	£
Brought forward	86,401	107,377
Deficiency contributions paid in year	(10,916)	(18,433)
Interest cost (recognised in SoFA)	1,619	393
Remaining change to balance sheet liability* (recognised in SoFA)	(77,104)	(2,936)
Carried forward	-	86,401

### 21 INVESTMENTS IN SUBSIDIARIES

The London Baptist Association holds all of the 411 'A' voting shares in the London Baptist Property Board Ltd and 683 non-voting 'B' shares. The London Baptist Property Board Ltd serves the work of the Association by acting as holding trustee for the majority of the churches in membership with the Association and by offering a facility for deposit and loan fund accounts. The LBPB is a company, number 88218 and a registered charity number 249768.

Shareholder funds in the London Baptist Property Board Ltd at 31 December 2022 were £3,836,115 (2021: £3,823,420).

A summary of income and expenditure is as follows:

	2022	2021
	£	£
Income	358,849	238,460
Expenditure	(389,236)	(253,823)
Net expenditure before revaluations	(30,387)	(15,363)
Gains on revaluations and disposals of fixed and investment assets	43,082	160,999
Net movement in funds	12,695	145,636

The subsidiary has been included in the consolidated accounts.

**THE LONDON BAPTIST ASSOCIATION**

England & Wales - Charity number 1091160

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# Accounts

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**THE LONDON BAPTIST ASSOCIATION**  
**REPORT OF THE DIRECTORS**  
**and**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 DECEMBER 2021**

**In membership with the  
Baptist Union of Great Britain**

**Charity Registration No: 1091160**

**Company Number: 04325272**

# THE LONDON BAPTIST ASSOCIATION

## COMPANY INFORMATION

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### DIRECTORS

Rev A Afriyie	Mrs F Ogunyide
Rev P Barnard	Mrs M Ross
Rev Dr A Beavis	Rev J Schofield
Miss A Buhari	Mr N Sherringham
Rev G Hindmarch	Rev L Wright (appointed 3 March 2021)
Miss N Idehen (appointed 3 March 2021)	

### OFFICERS

Moderator  
Regional Minister (Team Leader)

Rev A Afriyie  
Rev P Barnard \*

Regional Minister  
Regional Minister (part-time)  
Regional Minister (part-time)  
Regional Minister

Rev H Abdelmasih\*  
Rev W Bygrave\*  
Rev C Bostridge\*  
Rev L Johnson\*

Honorary Treasurer  
Company Secretary

Mrs F Ogunyide  
Mr N Kincaid\*

The key management personnel (\*) are the Directors, the Regional Minister (Team Leader) together with the other Regional Ministers and the Company Secretary.

### SOLICITORS

Carter Lemon Camerons LLP  
3<sup>rd</sup> Floor  
20 King Street  
London EC2V 8EG

### SURVEYORS

Rapleys LLP  
66 St James' Street  
London SW1A 1NE

### BANKERS

Barclays Bank plc  
Barclays Commercial Bank  
1 Churchill Place  
London E14 5HP

HSBC Bank plc  
186 Broadway  
Didcot  
Oxfordshire OX11 8RP

### AUDITORS

Jacob Cavenagh & Skeet  
5 Robin Hood Lane  
Sutton  
Surrey SM1 2SW

### INVESTMENT MANAGERS

Rathbones  
8 Finsbury Circus  
London EC2M 7AZ

# **THE LONDON BAPTIST ASSOCIATION**

## **REPORT OF THE BOARD OF DIRECTORS FOR THE YEAR ENDED 31ST DECEMBER 2021**

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The Board of Directors has pleasure in reporting on the Financial Statements for the year ended 31 December 2021, which have been prepared in accordance with the Companies Act 2006, the Charities Act 2011 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)".

### **GOVERNANCE AND MANAGEMENT**

The London Baptist Association (LBA) is a company limited by guarantee and registered in England (number 4352572) and is a registered charity (no 1091160). It was formed in November 2001 and began operating in 2002 when it took over the assets and liabilities of the former unincorporated Association which was formed in 1865. The company is governed by its Memorandum and Articles of Association (revised October 2002, June 2009, June 2010 and July 2016). The board of directors is partly elected or appointed by the member churches and partly co-opted. Baptist churches are admitted into membership by the passing of an ordinary resolution. The directors establish the strategy of the Association, which is implemented by the Regional Ministers, other members of staff, committees and working groups.

The directors of the LBA appoint the directors of the London Baptist Property Board Ltd (a subsidiary company).

### **PRINCIPAL ACTIVITIES AND OBJECTS**

The object of the company is the advancement of Christianity in and through its member churches individually and acting together, in accordance with the principles of the Baptist denomination. The Association is affiliated to the Baptist Union of Great Britain. The company seeks to fulfil its purpose through resourcing, supporting and encouraging the life and mission of its member churches.

The activities of The London Baptist Property Board Limited (LBPB), the subsidiary, are principally to act as the custodian trustee for Baptist churches, to provide loans and to accept deposits to finance the provision of church premises and manses.

### **THE ASSOCIATION'S ACTIVITIES AND PUBLIC BENEFIT**

The Directors are aware of and have had regard to the Charity Commission's published guidance on public benefit. The company serves the public benefit by the advancement of the Christian faith in and through its member churches. The company acts as an umbrella body for its member churches, which are all separate charities, serving the public benefit.

In a similar way to the previous year, 2021 saw the Association and its churches facing and coming to terms with the ongoing challenges of the COVID-19 pandemic. Indeed, the effects of the pandemic on communities across the land were felt if not more acutely in 2021. In the first phase of any traumatic event there is a 'heroic' response where people and groups redouble their efforts to mitigate the effects of the trauma. In doing so, emotional, spiritual and physical energy is spent. With the pandemic nearing its first anniversary, the re-establishment of a lockdown at the end of 2020, hit very hard. Indeed, for many people and groups, the New Year lockdown felt longer than the first despite it being much shorter. This is because we have entered the 'disillusioned' response to the trauma; people's energy was much lower.

Thus, the Association has needed to encourage and support churches and ministers in ever greater measure during 2021. Churches have experienced deep anxiety and unexpected conflict. Ministers have struggled with stress and challenges to their mental health. Church finances have been placed under great stress because of reduced offerings, members moving away and reduced buildings hires. The latter point is of particular concern in London as the majority of our smaller churches would not be able to exist without hires and lettings. The Association staff has engaged with all of these matters and provided support through practical advice, pastoral care and conflict resolution.

## THE LONDON BAPTIST ASSOCIATION

### REPORT OF THE BOARD OF DIRECTORS FOR THE YEAR ENDED 31ST DECEMBER 2021 (CONTINUED)

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That said, even in the face of immense adversity, we have seen great creativity in the churches. Many have upskilled in their delivery of online services and through the use of Teams or Zoom. The Association has sought to share good examples of creativity amongst our churches.

Continuing the theme of 2020, the Regional Ministry and Staff teams continued to mainly work from home and only began to recommence physical meetings at our offices in Dock Street after 'Freedom Day' in July. However, even whilst working remotely, we continued to reap the benefits of our Dock Street offices through our IT system and software.

Our relationships with the churches continue to be strong and the Association has worked in tandem with the BUGB Specialist Teams to deliver advice and guidance on running churches in the context of COVID. The Team Leader, The Revd. Phil Barnard, continued to provide regular updates and advice to the churches via the weekly "Mailchimp" newsletter.

The Revd. Phil Barnard and The Revd. Lee Johnson continue represent the regional team as directors of the London Baptist Property Board. They provide valuable contributions on the churches situation 'on the ground' for the purposes of buildings developments, loans and trust matters. Despite the pandemic slowing many of these initiatives, we are seeing many exciting development projects being taken forward.

More broadly, the Regional Team represent the Association in a variety of contexts. The Team Leader continues to represent the Association nationally as part of the Baptists Together Core Leadership Team, Baptist Union Council and the Children Youth and Families Round Table. He also moderates the Regional Team Leaders group, and is a member and trustee of the ecumenical London Church Leaders charity.

The Revd. Hany Abdelmasih represents the Association nationally as part of the BUGB Mission Forum and Small Churches Network. He also leads our newly formed Intercessory Prayer Group and Chaplains Connect Group. The Revd. Lee Johnson continues as a member of the National Ministerial Recognition Committee and is now also involved in Churches Together in Essex and East London (CTEEL). The Revd. Carol Bostridge continues to represent the Association on the steering group of Churches Together in South London. The Revd. Winston Bygrave makes significant contributions in the area of theological and lay training; both within and beyond his geographical pastoral area.

The Association experienced three significant staff changes during 2021. Firstly, our long-standing Property Board Trust Officer, Mrs. Jackie Penistone, retired with effect from 31<sup>st</sup> March. Her successor, Mr Martin Shaw, was appointed and pioneered the concept of remote working as he is based in Nottingham. Martin was appointed on a full-time basis and still visits the office once every fortnight or as required. We also said a sad farewell to Mrs Cynthia Arthur, our Association Administrator. Cynthia's role was made redundant by the Association due to changes in our set-up arising from the move to Dock Street. Finally, Mr. Paul Barker, our Heathrow Airport Chaplain, retired from his position at the end of 2021. We would want to put on record our thanks to Jackie, Cynthia and Paul for all that they have done for the Association over many years.

Mr. Pete Herbert-James, our Children's Youth and Families Lead, continues to balance his part-time role with his ongoing training for the Baptist Ministry at South Wales Baptist College. He and his wife, Jo, moved to Cardiff in 2020 and he predominately works remotely and visits London for regular meetings. Pete, who leads our Youth Forum, has continued to provide opportunities for networking and training amongst church workers.

Mrs. Rachel Swaby, the LB Safeguarding Lead, has now well established herself in the role, having commenced in September 2020. Rachel provides an absolutely vital support for our churches in respect of handling difficult cases, providing safeguarding training and offering routine advice. She works closely with the national team based at Baptist House and has brought her considerable influence to bear in the national scene. London now sets the example to follow in terms of safeguarding support of our churches and much credit needs to be ascribed to Rachel's diligent work in making this happen.

# THE LONDON BAPTIST ASSOCIATION

## REPORT OF THE BOARD OF DIRECTORS FOR THE YEAR ENDED 31ST DECEMBER 2021 (CONTINUED)

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Our second-year cohort of interns concluded their year with us in the summer of 2021. Despite the disruption that COVID has brought, all three were able to have a fulfilling experience of church and wider Christian work. In September 2021, we welcomed two new interns: Zoe Palmer and Violeta Cealacu. Zoe is placed at Romford Baptist Church whilst Violeta, a Romanian speaker, remains at her sending church Harvest Christian Church in Loughton. Alongside the internship, we have continued our Young Leaders online training programme which has several younger lay leaders participating on a regular basis.

Our rebranding exercise continued through 2021 and we have now completed the signage on our premises. Rev. Lee Johnson and Mr. Femi Onanuga (former intern) worked tirelessly on creating content for the website and our social media feeds. The trustees and team came to realise that this area is of vital importance for us as a charity and, thus, in early 2022, we are currently in the process of recruiting a Communications Lead to expand our capacity in this area. Separately, the Property Board has also launched a new strategy in their support of the churches. In both Property Board and Association work, we anticipate further work done on content and promotion during 2022.

A significant change occurred in 2021 with the disbandment of the National Settlement Team (NST) and the establishment of a new process for ministers and churches to seek settlement. The new system allows for accredited ministers to 'apply' to any church in vacancy rather than a moderated approach facilitated by NST. After a slow start, we have begun to see churches and ministers settle in the new process. The regional team still provide vital support for churches and ministers, offering advice and insights in the process of the search, and encouraging the appointment of moderators.

Two other new projects, both established during 2021 under the leadership of Rev. Hany Abdelmasih, were the Intercessory Prayer Group and the Chaplains Connect Group. The Prayer group now has over 40 intercessors – from churches across London – praying for the work of the churches and Association on a daily basis. As for Chaplaincy, we convene a quarterly hour-long meeting for all those ministers and lay-people involved in sector ministry. It provides an important platform for mutual encouragement and prayer amongst an often-neglected-yet-vitally-important aspect of Baptist witness across the capital. Chaplains who participate in the group include those in prisons, education, health, sport, transport, and leisure.

Finally, the work of the new LB Justice Hub also was established. The concept for this, encouraged by the Faith and Society Team at Baptist House, is to create a forum encouraging good practices in terms of justice and inclusion across our churches. Initially, the hub is particularly focusing on the areas of racial, women's and disability justice but we suspect this will expand to include other subjects in time. As part of this new work, a special service of lament for the death of George Floyd was arranged to coincide with the first anniversary of his death in 2020. This was held – and livestreamed – at The Kings Cross Baptist Church on the 26<sup>th</sup> June. Keynote speakers included Rev. Steve Chalke (Oasis Waterloo), Mr. Richard Reddie (CTBI) and the LB Team Leader, Rev. Phil Barnard.

### **LBA Board**

We decided to remain online for all Directors meetings during 2021 and suspect this will continue for the foreseeable. We held our belated 2020 AGM on the 3<sup>rd</sup> March 2021 – and then a 'second' AGM for the current year on 24<sup>th</sup> November. Both were very well attended by the churches and this has given us cause to reflect on whether or not AGMs should remain online. We suspect they will as we are much more likely to be quorate if they are. At our March meeting, there were four vacancies and four nominations hence precluding the need for an election. Mrs. Marilyn Ross and Rev. Alex Afriyie were appointed for their second terms of office and we welcomed Rev. Lucy Wright and Miss Nosa Idehen for their first terms of office. In the November meeting, similarly, there were two vacancies and two directors willing to re-stand. Mr Neil Sherringham and Ms. Amie Buhari were reappointed for their second terms of office. At this latter meeting, we were also pleased to welcome Rev. Lynn Green, General Secretary of Baptists Together, who shared an inspiring message with those present.

# THE LONDON BAPTIST ASSOCIATION

## REPORT OF THE BOARD OF DIRECTORS FOR THE YEAR ENDED 31ST DECEMBER 2021 (CONTINUED)

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The LBA Board, whilst meeting online for regular director's meetings, held a long-awaited in-person away day at the Kairos Centre in Roehampton on Saturday 20<sup>th</sup> November. This encouraging time focused on carrying out a SWOT analysis on the current state of play within the Association.

One member church, Woodford Wells Ecumenical Church, made the decision to close during the year. Two other churches were removed from the list of members as it is believed, after thorough enquiry, that they no exist (Mission Evangelique Mont Sinai; Evangelical Mission for the Cross of Christ in Europe). One new member, Living Word Christian Fellowship, was admitted so total membership is 296 churches.

### **Other significant events**

Due to the lockdown in early 2021, we postponed our traditional Ministers Conference at High Leigh Conference Centre and shifted online to a mix of recorded talks and zoom interaction. The day conference was streamed live from International Praise Centre in East Ham. We were grateful to Pastor Claude Halm and his colleagues for their assistance with this. Dr. Paula Gooder and Rev. Phil Barnard were the keynote speakers and reflected on the current situation in which we find ourselves. Worship sets were provided by Mill Hill Church.

This event was very well received by our ministers, and we had over 100 participants watching the YouTube segments and around 80 participating in the interactive zoom sessions.

During the year, we received a request from a member of Brixton Baptist Church that the Association made an appeal to our member churches for the work of the Jamaica Baptist Union (JBU). The JBU had been supporting communities who had experienced terrible flooding during the latter part of 2021 and the Trustees were glad to lend their support to this project. There was a fantastic response by the churches which eventually reached approximately £20,000. The Association was glad to add a further £5,000 from our own funds to send to the JBU. Their gratitude was expressed in a letter written by their interim general secretary, Rev. Merlyn Hyde-Riley.

### **Pensions**

The pension crisis in the Baptist Union has been brought to a sustainable position through the 'Family Solution' being put in place for the Minister's DB scheme. This involved the injection of capital and a negotiation with the pension trustee – the result of which has significantly reduced the scheme deficit and preserved the 12% deficit contributions of participating employers. It is hoped that the scheme will reach full funding within a decade. The LBA continues to be a participating employer and meets its significant (48% of standard stipend) deficit contributions.

### **Future vision**

Looking ahead into 2022, the Directors of the Association have outlined several clear objectives.

- To recruit and establish new role for Communications lead
- To increase the profile of the Association on web site, social media, etc
- Development of a strategy for impending church closures and replants
- To encourage our representatives to contribute to topics at national level including the revised funding formula, LGBT+ issues, safeguarding polices, CYF mission, etc.
- To continue the development of young leaders via the internship programme
- Continue to support churches as they reimagine church and manage issues following the pandemic
- To support the new Small Church Connexion structure following retirement of volunteer team leader

The Regional Team will also continue to engage with, and reflect upon, the evolving shape of our ministry and mission to London in the era of COVID. Many churches are facing existential crises brought about by the pandemic and the Regional Team are seeking to assist them with difficult and challenging questions about the future.

## THE LONDON BAPTIST ASSOCIATION

### REPORT OF THE BOARD OF DIRECTORS FOR THE YEAR ENDED 31ST DECEMBER 2021 (CONTINUED)

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Alongside the aforementioned tasks and events, the company continued with its core activities. The Association largely fulfils its objects through the work of the LBA Regional Ministry Team. All of the team offers support and encouragement to member churches and have been challenged by several especially difficult situations.

The directors met on six occasions during the year to conduct the business of the LBA, discharge their responsibility for the charity's finances, and oversee the implementation of the agreed strategy. The induction of new directors of the Board (appointed March 2021) was overseen by the Company Secretary and the Team Leader.

The work of the team has been complemented by others who work for the Association in a part-time or voluntary capacity. The District Ministers offered encouragement to fellow ministers in their respective districts and, during the pandemic, online gatherings have increased turnout. Mrs. Hilary Taylor (Small Church Enabler) continued to convene the leaders of a number of small churches providing support and encouragement and has facilitated the work of the Small Church Connexion. Hilary, who is retiring from this role with the Association in early 2022, will be sorely missed.

Despite all working from home, the work of the office staff has again been invaluable in furthering the work of the Association. Mr. Norman Kincaid, the Association's Administrator, has provided excellent support to member churches, Regional Ministers and directors and has run the Association's administration with calm efficiency.

Mrs. Deborah Scott, the Property Board and Association book-keeper, extended her hours in 2021 and is now called our Finance Officer reflecting the importance of her role to us.

The Mission Partnership Funding Committee awarded funding to 15 churches, totalling £145,344. Dr. Colin Hicks has responsibility for administering the application process which had included running several workshops to explain the criteria and assessment process.

The Ministerial Recognition Committee met on five occasions during the year, using Zoom, interviewing ten candidates and commending all of them as potential ministerial candidates. Additionally, eight Newly Accredited Ministers were interviewed at the end of their probationary periods and commended for full accreditation. A further eleven NAMs were interviewed to review their mid-term progress.

The key management personnel of the charity as listed on page 1 are in charge of directing, controlling, running and operating the charity on a day-to-day basis. Details of directors' remuneration, expenses and related party transactions are disclosed in Note 18 to the financial statements.

The pay of senior staff is reviewed annually and normally increased in accordance with average earnings. These awards are decided by the directors but generally follow guidelines from BUGB who decide the standard stipend nationally for Baptist ministers.

The Home Mission appeal in London reduced by some 5.2% compared to the previous year, but in view of the financial pressures on churches during the pandemic it was an understandable outcome. It fell about £37,000 short of the combined (donations plus subscriptions) budget target of £585,000. Churches in membership with the LBA contributed £426,025 (2020: £466,492) to the Baptist Union Home Mission Fund appeal and £121,720 (2020: £111,460) from subscriptions to the LBA from member churches.

# THE LONDON BAPTIST ASSOCIATION

## REPORT OF THE BOARD OF DIRECTORS FOR THE YEAR ENDED 31ST DECEMBER 2021 (CONTINUED)

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### PLANS FOR THE FUTURE

#### *Recovery from the pandemic*

- We suspect 2022 will reflect similar characteristics to 2021 in that we continue to recover from the pandemic. Despite the government's decision to delegate all responsibility to local decision making, it is clear that COVID is still around. Churches are still anxious about this and have a duty of care to the vulnerable.
- The team are focused on helping ministers and leaders process these matters.

#### *Improved communications*

- With the anticipated appointment of a Communications Lead, we are hoping to see increased engagement with our churches. This will enhance our web and social media presence. We are also anticipating creating more content (online videos) which will share the services provided by the Association – and tell stories of what is going on across our churches.

#### *Reaching out beyond*

- The Ministers Conference met again in person at High Leigh on 7-9 February 2022. The theme was 'Reaching out beyond' and keynote speakers included Rev. Hayley Young (Vice President of Baptists Together), Professor Robert Beckford and the Team Leader, Rev. Phil Barnard. 140 people attended across the three days and it was an uplifting and encouraging time.

#### *Finance & Strategy*

- The Home Mission Appeal in 2021 fell short of target for fairly obvious reasons given the pressures on church finances. However, providentially, the legacies received by Baptists Together overcame this deficit resulting in common purse being over budget.
- Baptist Union Council will be discussing possible changes to the financial arrangements in the Union during 2022. Clearly serious thought has been given to our declining income and how that is spent.
- We continue to support churches through Mission Partnership Grants. Going forward, we are hopeful to see these continue but financial constraints will need to be factored in.

### SUMMARY OF FINANCIAL ACTIVITIES FOR THE YEAR

The financial results of the year 2021 are set out in the accompanying financial statements. With regard to the company accounts, there was a positive movement for the year £647,092 (2020: £467,992) after revaluation gains of £383,616 (2020: £509,189) taking the total net assets of the LBA, including restricted and endowment funds, to £14,142,568 (2020: £13,495,476).

With regard to the London Baptist Property Board, there was a positive movement of funds in the year, after revaluation adjustments, of £145,636 (2020: £103,874). The Consolidated Statement of Financial Activities consequently shows a positive movement of funds in the year of £792,727 (2020: £571,867).

#### *Reserves policy*

The Directors consider the reserves policy annually. It is their intention to maintain a reserve that at a minimum would fund three months operating costs and up to six months operating costs. As at 31 December 2021, the free reserves of LBA (being the company unrestricted fund net current assets and listed investments) were £1,390,888 (2020: £849,564). The residual free reserves are considered to be adequate in line with the agreed policy.

The principal source of regular general fund income in 2021 was a fixed sum grant from the Baptist Union and it is anticipated that such grants will be paid in future years. The directors expect that the financial position of BUGB will be constrained for some time and that grant funding will decrease, not increase, in future years, requiring the LBA to use its free reserves to pay some operating costs. The national formula for sharing the "family purse" is under active review but no changes are expected before 2023.

## THE LONDON BAPTIST ASSOCIATION

### REPORT OF THE BOARD OF DIRECTORS FOR THE YEAR ENDED 31ST DECEMBER 2021 (CONTINUED)

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The directors will also need to fund any expenditure on new projects to enhance the LBA's work which go beyond core activities from reserves. The directors will continue to monitor the level of reserve held and to take decisions on expenditure which balance the needs of the present and the future.

#### *Remuneration of directors*

The Regional Minister Team leader, who has served as a director in 2021, is entitled to receive remuneration from the Association under the terms of the Memorandum of Association. (Details are to be found at note 18.) Otherwise, the directors did not receive any remuneration or benefit in kind from the Association or its subsidiary company the London Baptist Property Board Ltd.

#### *Investment policy*

An ethical investment policy is followed, which was reviewed during the year resulting in the exclusion of fossil fuel industry companies from our portfolios.

The general policy is to deposit day-to-day funds with the London Baptist Property Board Limited. For investments of a more permanent nature, the LBA investment managers are consulted. Regular review meetings are held with the fund manager. Both the General Fund Portfolio (a balanced portfolio to provide income and growth) and the Philpot Trust Portfolio (managed principally to provide growth) performed reasonably well for the period against respective benchmarks. The charity has made such investments to generate a return and has made no social investments

With regard to the LBPB, the directors of the LBPB take a cautious approach to investment, seeking both to safeguard the capital held on behalf of churches and to retain sufficient short-term funds to meet potential demands by depositors or borrowers. With regard to longer term investments, the company holds Charifund income units with the intention of providing both income and capital growth. Investments have also been made in property with the dual aim of assisting the LBA or particular churches and bringing longer-term capital growth for the company. The short-term deposits are currently spread across five financial institutions, with returns being kept under regular review.

#### *Grant making policy*

During the year, grants of £179,996 (2020: £182,906) were made to beneficiaries in accordance with the terms of the fund from which the grant was made. Grants are awarded in response to written applications which are assessed by the Finance Committee. The Committee has regard to the sums requested, project viability and the amounts available for distribution. The directors have delegated powers to the Finance Committee to award grants with a value of up to £5,000; grants in excess of that amount are referred to the directors for a decision with a recommendation from the Finance Committee.

This figure includes grants made under the Mission Partnership Funding Scheme funded by the national Home Mission Appeal. A separately designated Committee receives vision statements and full applications from member churches and has delegated authority to award funding within an agreed annual budget. Successful applicants must demonstrate the missional nature of their application and can be awarded funding for up to three years, subject to annual review.

#### *Fundraising disclosure*

The Association does not directly get involved in fundraising activities with the general public but encourages all its member churches to contribute to the national Home Mission Appeal managed by the Baptist Union. Support is requested by occasional visiting preachers and by material available via the Baptist Union web site. All Association membership subscriptions from churches are transferred to this national Appeal. A proportion of this Appeal is then allocated to the Association in line with a nationally agreed formula in line with other Associations as core funding and mission funding.

No professional fundraisers or other third parties are engaged and no complaints about our practices have been received. Funds are not sought from outside our own membership.

# THE LONDON BAPTIST ASSOCIATION

## REPORT OF THE BOARD OF DIRECTORS FOR THE YEAR ENDED 31ST DECEMBER 2021 (CONTINUED)

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### *Risk Management*

The charity trustees acknowledge their responsibility for, and have given consideration to, the major risks to which the charity is exposed and satisfied themselves that systems or procedures are established in order to manage and control those risks. The main risks identified and managed are:

- Issues around safeguarding and child protection in our churches are of great importance and carry a high level of potential risk. To this end, the appointment of a Safeguarding Lead was made. Extensive training at Levels 2 & 3 is delivered to our ministers and other church leaders using the Baptist Union “Excellence in Safeguarding” material. Regular monitoring of levels of participation and effectiveness of this training takes place. Lines of reporting incidents of risk are clear and understood. Churches are offered clear guidance to write their own safeguarding policies.
- The business of the Association has financial reliance upon its member churches’ contributions to the national Home Mission Appeal which is the main income source. As pressure grows on our declining church membership with an ageing demographic, there is a risk that such funding may reduce in coming years. The Appeal is actively promoted by the Association and currently this risk is mitigated by the level of reserves held.
- The Association and its related designated and restricted trust funds carry an investment risk on reserves held. These investments are professionally managed and regularly monitored by other advisers to mitigate the risk. The Association and LBPB have agreed a relatively cautious and ethical agreed investment policy.
- There is a reputational risk to the Association relating to any incidents in our member churches which may be outside our direct control. The enhanced Regional Team is now more actively and pre-emptively engaged in assisting and advising churches on governance, pastoral, safeguarding and other issues to reduce these risks. Suitable trustee/employee indemnity insurance is in place.
- The operational risk of loss of data, computer hacking, cybercrime heightens each year. Upgraded network systems were implemented in tandem with our change of office location. Our support company has noticeably improved the technical aspects of this area and reduced the risk of loss or non-compliance significantly.
- Other less serious risks in the areas of governance, finance, operations, compliance and environmental have also been identified and suitable control measures in place, reviewed annually by the trustees.

### **Statement of Directors’ Responsibilities**

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standard (United Kingdom Generally Accepted Accounting Policies).

Company law requires the directors 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 the group and of incoming resources and application of resources, including the income and expenditure of the charitable group for the period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- 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 Association will continue in its activities.

## THE LONDON BAPTIST ASSOCIATION

### REPORT OF THE BOARD OF DIRECTORS FOR THE YEAR ENDED 31ST DECEMBER 2021 (CONTINUED)

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

The directors are responsible for the maintenance and integrity of the corporate and financial information for the company included on its web-site. Legislation in the United Kingdom governing the preparation and dissemination of financial information may differ from legislation in other jurisdictions.

#### **DISCLOSURE OF INFORMATION TO THE AUDITORS**

To the knowledge and belief of the directors, there is no relevant information that the company's auditors are not aware of, and the directors have taken all the steps necessary to ensure that the directors are aware of any relevant information, and to establish that the company's auditors are aware of this information.

The above report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

BY ORDER OF THE BOARD

Rev A Afriyie  
Moderator  
Unit C2, 15, Dock Street,  
London  
E1 8JN

*10 May 2022*

### **Designated Funds**

#### *Barnabas Fund*

This fund was created to enable gifts to be made to churches in particular need for any aspect of their work. It was renamed to signify its ministry of encouragement. The small balance remaining at the end of the year was transferred to general funds.

#### *Church Extension and Reconstruction Fund*

This fund was set up to help, by grant or interest-free loan, churches needing to carry out urgent building maintenance. Income is derived from grants from the London Baptist Property Board Limited.

#### *Legacy Reserve Fund*

Unrestricted legacies are placed into this fund and are used for purposes that the Board decides.

#### *Mission Partnership Funding*

This fund holds any unallocated balance of the annual budget received from BUGB for providing Mission Partnership Funding, as administered by the LBA Committee with responsibility for awarding this funding in line with their published criteria. This balance may be carried forward at year end and awarded to suitable applicants in future years.

#### *Thames Gateway Project*

This fund has received donations made by member churches in response to an appeal made in connection with plans to celebrate the third Christian millennium. The proceeds have been used to purchase a property in Britannia village, part of the newly developed Thames Gateway area. The property is used as a base for church planting.

#### *LBA Youth Fund*

This fund was established in response to a donation to the Association to be used for youth work in London. It is hoped that further gifts and grants will be received in future years. The money is available to the Youth Forum to assist in funding its initiatives.

### **Restricted Funds**

#### *J W Beaumont Trust Fund (an endowment fund)*

This fund was established to comply with the wishes of the executors of the estate of the late solicitor to the LBA, J W Beaumont. The main purpose is to assist lay persons with Christian training expenses.

#### *John Bradford Trust*

This trust fund enables permanent loans to be made from the capital, with repayment and interest if the church closes or leaves the Association, and term interest-free loans to be made from income. There is also provision for grants to be made from the income for the support of ministry and those training for ministry and for other charitable work of the Association. To qualify a church must be within a London Borough. Grants were made from this fund to support the safeguarding officer and the Youth worker during the year. These are shown as transfers.

#### *Compassionate Trust Fund*

This fund is financed by appeals to member churches to enable help to be given to ministers and their dependants in special need.

#### *Hounslow Baptist Church Reserve*

This fund was created upon the closure of Broadway Baptist Church, Hounslow in 1978. Loans and grants are made from the fund for the support of ministry (in its widest sense) in the Greater London area. The fund has been supplemented in 2007 by proceeds from the closure of Harmondsworth Baptist Church.

### **Restricted Funds (continued)**

#### *Manse Trust Fund*

This fund was created in 1984 when the Manse of Nunhead Baptist Church was sold, the church having closed in 1965. Additional funds were added during 1992 in connection with the former Haydon Park church in Wimbledon. Loans have been made to churches to help with the purchase of their manses. These loans are repayable with capital appreciation relating to house values at the time of repayment.

#### *T W Philpot Trust*

This derives from the will of the late Thomas W A Philpot and was for making interest-free loans to churches which are erecting new chapels. Such loans will normally amount to no more than 25% of the cost unless the Board of Directors agrees otherwise. The initial capital sum became available in 1956 and a further legacy of properties and investments has since become available following the cessation of a life interest. In 2006, the Charity Commission gave permission for the funds to be used for wider purposes. Interest-free loans can now be made for the building of new churches, the purchase of new buildings by churches and the extension of church premises.

#### *Valley Mission Fund*

This fund derives from the sale of Valley Mission, Biggin Hill. Under the ultimate trust, the income from the invested proceeds is available for evangelistic work in West Kent as decided by the Board of Directors.

#### *Pension Fund*

The Directors set aside this fund from the sale of a closed church property to provide a contingency fund for any member churches who have insufficient assets to cover their liabilities to the Baptist Ministers' Pension Scheme after a "cessation event" has taken place. This is designed to prevent the individual trustees of those churches potentially being required to cover the church debt from personal funds. The award of assistance from this fund is assessed by the directors on a case-by-case basis according to need.

This fund had been shown as restricted in previous years but should have been shown as designated. The directors do not think this reserve will be required in the future so it has been released into general funds.

#### *Jamaica Appeal*

This fund was established in 2021 in response to a request from a member of Brixton Baptist Church that the Association made an appeal to our member churches for the work of the Jamaica Baptist Union (JBU). The JBU had been supporting communities who had experienced terrible flooding during the latter part of 2021 and the Trustees were glad to lend their support to this project. Churches were invited to make donations which were supplemented from the Association and passed across in full. Their gratitude was expressed in a letter written by their interim general secretary, Rev. Merlyn Hyde-Riley.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
THE LONDON BAPTIST ASSOCIATION**

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**Opinion**

We have audited the financial statements of The London Baptist Association (the 'parent charity') and its subsidiary (the 'group') for the year ended 31 December 2021 which comprise the consolidated Statement of Financial Activities, the consolidated and parent Balance Sheets, the consolidated Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and 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 group's and of the parent company's affairs as at 31 December 2021 and of the group's surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

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

**Conclusions relating to going concern**

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

**Opinions 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit: or

# THE LONDON BAPTIST ASSOCIATION

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE LONDON BAPTIST ASSOCIATION

---

- the directors 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 directors' report and from the requirement to prepare a strategic report.

### Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors 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 directors 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 directors are responsible for assessing the group's and the parent 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 directors either intend to liquidate the group or the parent 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:

Based on our understanding of the company, we identified that the principal risks of non-compliance with laws and regulations related to employment and financial reporting legislation and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and the Charities Act 2011.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by making enquiries of management, considering the internal controls in place and discussion amongst the engagement team.

We determined that the principal risks were related to the management bias in accounting estimates, valuation of properties, valuation of the pension scheme provision, the inclusion and treatment of non cash transactions, presentation of separately disclosed items and the management override of controls. In response to the risks identified we designed procedures which included, but were not limited to:

- challenging the significant accounting estimates such as valuation of properties and the pension provision,
- reviewing trustee meeting minutes and enquiring into the occurrence and treatment of non cash transactions,
- agreeing financial statement disclosures to underlying supporting evidence,
- identifying and testing journal entries and
- evaluation the charity's internal controls.

There are inherent limitations in the audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion. A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### Use of our report

This report is made solely to the 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 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Miriam Hickson FCA (Senior Statutory Auditor)**  
**for and on behalf of Jacob Cavenagh & Skeet**  
**Statutory Auditor**  
**Chartered Accountants**

5 Robin Hood Lane  
Sutton  
Surrey  
SM1 2SW

Dated: .....

# THE LONDON BAPTIST ASSOCIATION

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	Unrestricted Fund	Restricted Funds	Endowment Funds	2021	Unrestricted Fund	Restricted Funds	Endowment Funds	2020
		£	£	£	£	£	£	£	£
<b>Income from:</b>									
Donations and legacies:									
Baptist Union core funding		243,651	-	-	243,651	280,656	-	-	280,656
Church contributions	9	122,621	695	-	123,316	114,992	460	-	115,452
Grants		434,200	20,736	-	454,936	150,000	-	-	150,000
Investments	13	124,179	60,444	-	184,623	151,007	68,455	-	219,462
Charitable activities:									
Loan interest		99,468	-	-	99,468	109,228	-	-	109,228
Voluntary Income		-	-	-	-	6,250	-	-	6,250
Preaching Income		3,720	-	-	3,720	4,630	-	-	4,630
Other		6,725	-	-	6,725	13,329	-	-	13,329
Other income:									
Coronavirus Job Retention Scheme grant		12,294	-	-	12,294	18,008	-	-	18,008
<b>Total income</b>		<b>1,046,858</b>	<b>81,875</b>	<b>-</b>	<b>1,128,733</b>	<b>848,100</b>	<b>68,915</b>	<b>-</b>	<b>917,015</b>
<b>Expenditure on:</b>									
Raising funds									
Investment property management costs	10/11/12	26,858	22,837	-	49,695	28,544	22,720	-	51,264
Charitable activities									
Support to churches		803,898	27,028	-	830,926	815,952	89,354	-	905,306
<b>Total expenditure</b>		<b>830,756</b>	<b>49,865</b>	<b>-</b>	<b>880,621</b>	<b>844,496</b>	<b>112,074</b>	<b>-</b>	<b>956,570</b>
Net gains on investments		175,561	283,591	-	459,152	198,818	262,604	-	461,422
<b>Net income</b>		<b>391,663</b>	<b>315,601</b>	<b>-</b>	<b>707,264</b>	<b>202,422</b>	<b>219,445</b>	<b>-</b>	<b>421,867</b>
Transfers between funds		302,958	(302,958)	-	-	(965)	965	-	-
Gains on revaluation of fixed assets	2a	85,463	-	-	85,463	150,000	-	-	150,000
<b>Net movement in funds</b>		<b>780,084</b>	<b>12,643</b>	<b>-</b>	<b>792,727</b>	<b>351,457</b>	<b>220,410</b>	<b>-</b>	<b>571,867</b>
<b>Reconciliation of funds</b>									
<b>Funds brought forward</b>		<b>10,200,909</b>	<b>5,596,785</b>	<b>3,087</b>	<b>15,800,781</b>	<b>9,849,452</b>	<b>5,376,375</b>	<b>3,087</b>	<b>15,228,914</b>
<b>Total funds carried forward</b>		<b>10,980,993</b>	<b>5,609,428</b>	<b>3,087</b>	<b>16,593,508</b>	<b>10,200,909</b>	<b>5,596,785</b>	<b>3,087</b>	<b>15,800,781</b>

# THE LONDON BAPTIST ASSOCIATION

## CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2021

	Note	2021		2020	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible fixed assets	2a		6,043,471		5,968,910
Investments	3a		6,540,565		6,520,015
Concessionary loans to churches	4		<u>2,525,820</u>		<u>1,570,923</u>
			15,109,856		14,059,848
<b>CURRENT ASSETS</b>					
Debtors (including £2,570,099 (2020: £2,412,066) recoverable after more than one year)	5a	3,724,727		3,565,585	
Investments (Short term deposits)		7,075,354		7,079,977	
Cash held by stockbrokers		19,705		54,212	
Cash at bank		<u>2,705,746</u>		<u>3,900,844</u>	
		13,525,532		14,600,618	
<b>CREDITORS:</b>					
Amounts falling due within one year	6a	<u>(11,955,479)</u>		<u>(12,752,308)</u>	
<b>NET CURRENT ASSETS</b>					
			1,570,053		1,848,310
<b>Total Assets less current liabilities</b>					
			<u>16,679,909</u>		<u>15,908,158</u>
<b>PROVISIONS FOR LIABILITIES</b>	19		<u>( 86,401)</u>		<u>( 107,377)</u>
<b>NET ASSETS</b>	17		<u><u>16,593,508</u></u>		<u><u>15,800,781</u></u>
<b>ENDOWMENT FUNDS</b>					
	8		3,087		3,087
<b>RESTRICTED FUNDS</b>					
	8				
Realised funds		4,540,938		4,439,147	
Revaluation reserve	16	<u>1,068,490</u>		<u>1,157,638</u>	
			5,609,428		5,596,785
<b>UNRESTRICTED FUNDS</b>					
Realised funds – Other funds		8,870,970		8,439,590	
Revaluation reserve	16	<u>2,110,023</u>		<u>1,761,319</u>	
			10,980,993		10,200,909
			<u>16,593,508</u>		<u>15,800,781</u>

The financial statements were prepared in accordance with the special provisions of the Companies Act 2006 relating to small companies and were approved by the Board of Directors on 10 May 2022 and signed on their behalf:

**Moderator**

**Honorary Treasurer**

Rev A Afriyie

Mrs F Ogunyide

# THE LONDON BAPTIST ASSOCIATION

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2021

		2021	2020
	<i>Note</i>	£	£
<b>Cash used in operating activities</b>	(i)	(902,556)	(1,950,606)
<b>Cash flows from investing activities</b>			
Dividends, interest and rents from investments		184,623	219,462
Proceeds on sale of investments		963,648	693,576
Purchase of investments		(525,047)	(1,580,436)
Net advances of long term loans to churches		(954,896)	( 110,204)
<b>Cash used in investing activities</b>		<u>(331,672)</u>	<u>( 777,602)</u>
<b>Decrease in cash and cash equivalents in the year</b>		(1,234,228)	(2,728,208)
<b>Cash and cash equivalents as at 1 January</b>		<u>11,035,033</u>	<u>13,763,241</u>
<b>Cash and cash equivalents as at 31 December</b>		<u><u>9,800,805</u></u>	<u><u>11,035,033</u></u>

### (i) Reconciliation of net income to cash used in operating activities

<b>Net income</b>	792,727	571,867
Depreciation charges	10,902	9,241
Dividends, interest and rents from investments	(184,623)	( 219,462)
Gains on tangible fixed assets	( 85,463)	( 150,000)
Gains on investment assets	(459,152)	( 461,422)
(Increase)/decrease in debtors	(159,142)	249,009
Decrease in creditors	(817,805)	(1,949,839)
	<u>(902,556)</u>	<u>(1,950,606)</u>

# THE LONDON BAPTIST ASSOCIATION

## COMPANY STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	Unrestricted Fund £	Restricted Funds £	Endowment Funds £	2021 £	Unrestricted Fund £	Restricted Funds £	Endowment Funds £	2020 £
<b>Income from:</b>									
Donations and legacies:									
Baptist Union core funding		243,651	-	-	243,651	280,656	-	-	280,656
Church contributions		122,621	695	-	123,316	114,992	460	-	115,452
Grants		505,080	20,736	-	525,816	230,000	-	-	230,000
Investments	13	51,104	60,870	-	111,974	48,007	69,420	-	117,427
Charitable activities:									
Preaching		3,720	-	-	3,720	4,630	-	-	4,630
Other		5,425	-	-	5,425	11,380	-	-	11,380
Other income									
Coronavirus Job Retention Scheme grant		12,294	-	-	12,294	18,008	-	-	18,008
<b>Total income</b>		<b>943,895</b>	<b>82,301</b>	<b>-</b>	<b>1,026,196</b>	<b>707,673</b>	<b>69,880</b>	<b>-</b>	<b>777,553</b>
<b>Expenditure on:</b>									
Raising funds									
Investment property management costs		8,278	22,837	-	31,115	6,588	22,720	-	29,308
Charitable activities									
Support to churches	10/11/12	704,577	27,028	-	731,605	700,088	89,354	-	789,442
<b>Total expenditure</b>		<b>712,855</b>	<b>49,865</b>	<b>-</b>	<b>762,720</b>	<b>706,676</b>	<b>112,074</b>	<b>-</b>	<b>818,750</b>
Net gains on investments		59,562	283,591	-	343,153	146,585	262,604	-	409,189
<b>Net income</b>		<b>290,602</b>	<b>316,027</b>	<b>-</b>	<b>606,629</b>	<b>147,582</b>	<b>220,410</b>	<b>-</b>	<b>367,992</b>
Transfers between funds		303,384	(303,384)	-	-	-	-	-	-
Gains on revaluation of fixed assets	2b	40,463	-	-	40,463	100,000	-	-	100,000
<b>Net movement in funds</b>		<b>634,449</b>	<b>12,643</b>	<b>-</b>	<b>647,092</b>	<b>247,582</b>	<b>220,410</b>	<b>-</b>	<b>467,992</b>
<b>Reconciliation of funds</b>									
<b>Total funds brought forward</b>		<b>7,895,604</b>	<b>5,596,785</b>	<b>3,087</b>	<b>13,495,476</b>	<b>7,648,022</b>	<b>5,376,375</b>	<b>3,087</b>	<b>13,027,484</b>
<b>Total funds carried forward</b>		<b>8,530,053</b>	<b>5,609,428</b>	<b>3,087</b>	<b>14,142,568</b>	<b>7,895,604</b>	<b>5,596,785</b>	<b>3,087</b>	<b>13,495,476</b>

**THE LONDON BAPTIST ASSOCIATION**

COMPANY BALANCE SHEET  
AT 31 DECEMBER 2021

Company number: 04325272

	Note	2021		2020	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible fixed assets	2b		5,126,870		5,095,791
Investments	3b		5,818,918		5,914,367
Concessionary loans to churches	4		<u>2,525,820</u>		<u>1,570,923</u>
			13,471,608		12,581,081
<b>CURRENT ASSETS</b>					
Investments (Deposits with the London Baptist Property Board)		1,002,171		1,222,610	
Debtors	5b	4,917		475	
Cash held by stockbrokers		19,705		54,212	
Cash at bank and in hand		<u>19,167</u>		<u>10,160</u>	
		1,045,960		1,287,457	
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>					
Sundry creditors	6b	<u>(197,015)</u>		<u>(174,101)</u>	
<b>NET CURRENT ASSETS</b>					
			848,945		1,113,356
<b>Total Assets less current liabilities</b>					
			<u>14,320,553</u>		<u>13,694,437</u>
<b>CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR</b>					
Loans from the London Baptist Property Board Limited			(91,584)		( 91,584)
<b>PROVISION FOR LIABILITIES</b>	19		<u>(86,401)</u>		<u>(107,377)</u>
<b>NET ASSETS</b>	17		<u>14,142,568</u>		<u>13,495,476</u>
<b>REPRESENTED BY FUNDS:</b>					
<b>ENDOWMENT FUNDS</b>					
	8		3,087		3,087
<b>RESTRICTED FUNDS</b>					
Realised funds		4,540,938		4,439,147	
Revaluation reserve	16	<u>1,068,490</u>		<u>1,157,638</u>	
			5,609,428		5,596,785
<b>UNRESTRICTED FUNDS</b>					
Realised funds – Other funds	7		7,728,410		7,281,666
Revaluation reserve	16	<u>801,643</u>		<u>613,938</u>	
			8,530,053		7,895,604
			<u>14,142,568</u>		<u>13,495,476</u>

Approved by the Board of Directors 10 May 2022 and signed on their behalf:

**Moderator**

**Honorary Treasurer**

Rev A Afriyie

Mrs F Ogunyide

# THE LONDON BAPTIST ASSOCIATION

## SUMMARY INCOME AND EXPENDITURE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2021

	2021		2020	
	Group £	Company £	Group £	Company £
Income	944,110	914,222	697,553	660,126
Interest and investment income	184,623	111,974	219,462	117,427
Gains on investments	459,152	343,153	461,422	409,189
<b>Gross income in the reporting period</b>	<b>1,587,885</b>	<b>1,369,349</b>	<b>1,378,437</b>	<b>1,186,742</b>
Expenditure	869,719	753,336	947,329	811,219
Depreciation	10,902	9,384	9,241	7,531
<b>Total expenditure in the reporting period</b>	<b>880,621</b>	<b>762,720</b>	<b>956,570</b>	<b>818,750</b>
<b>Surplus for the year</b>	<b>707,264</b>	<b>606,629</b>	<b>421,867</b>	<b>367,992</b>

## STATEMENT OF COMPREHENSIVE INCOME

	2021		2020	
	Group £	Company £	Group £	Company £
Surplus for the year	707,264	606,629	421,867	367,992
Gains on revaluation of fixed assets	85,463	40,463	150,000	100,000
Comprehensive income for the year	<u>792,727</u>	<u>647,092</u>	<u>571,867</u>	<u>467,992</u>

**1 ACCOUNTING POLICIES**

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

**1.1 Accounting convention**

The financial statements have been prepared under the Companies Act 2006, the Charities Act 2011 and in accordance with the Charities Statement of Recommended Practice (Charities SORP (FRS 102)) and Financial Reporting Standard 102 (FRS 102). The accounts are prepared under the historical cost convention (as modified by the revaluation of certain fixed assets), except as noted in 1.8 below.

The accounts include the results of the company's subsidiary, The London Baptist Property Board Limited. The results have been consolidated on a line by line basis.

The London Baptist Association meets the definition of a public benefit entity under FRS 102. The charity is a company limited by guarantee, incorporated in England and Wales.

**1.2 Unrestricted funds**

Unrestricted funds comprise the General fund and Designated funds. Designated funds represent monies which have been allocated for specific purposes by the Association. All Unrestricted fund income is accounted for once the charity has entitlement to the income, it is probable the income will be received and the amount of income receivable can be reliably measured. Unrestricted fund expenditure is accrued as soon as a liability is considered probable, discounted to present value for longer term liabilities.

**1.3 Restricted funds**

These are funds subject to specific conditions as to their use, which are binding on the Association. All Restricted fund income is accounted for at the time of receipt and expenditure accounted for when incurred. Income not expended in the year of receipt is carried forward until it is fully committed.

**1.4 Endowment funds**

Endowment funds represent the permanent capital of certain restricted funds.

**1.5 Properties**

Freehold and leasehold properties, whether shown as tangible fixed assets or investments, have been included at fair value. No depreciation has been charged on those properties held as tangible fixed assets on the basis that the residual value of the properties is so high as to render depreciation immaterial.

**1.6 Computers and equipment**

This is shown at cost and depreciated over 3 years. Equipment with a cost of over £1,000 is capitalised.

**1.7 Pension schemes**

The company contributes to defined benefit pension schemes. The assets of the schemes are held separately from those of the company and contributions are accounted for when due.

The company also makes contributions towards the deficit on the Baptist Pension Scheme and the Baptist Unions Staff Pension Scheme, under their deficit reduction schemes. A provision has been made for the total contributions due. This is detailed in Note 19.

**1.8 Investments**

Quoted investments are stated at fair value. An unquoted investment is stated at a valuation of the Finance Committee. Unrealised gains or losses in the year are reported in the statement of financial activities. Investments in subsidiaries are shown at cost.

**1.9 Debtors**

Trade debtors and other debtors are included at the settlement amount due. Prepayments are valued at the amount prepaid.

**1.10 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 opening of the deposit.

# THE LONDON BAPTIST ASSOCIATION

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2021 (continued)

### 1.11 Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation arising 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 recognised at their settlement amount.

### 1.12 Financial instruments

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

### 1.13 Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

### 1.14 Income

Income, including grants, is recognised when the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

The Coronavirus Job Retention Scheme grant is recognised in the period to which the underlying furloughed staff costs relate.

### 1.15 Expenditure

Expenditure is recognised as soon as an outflow of economic benefit is probable, settlement will be required and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis.

Grants and donations are accounted for when paid over, or when awarded, if that award creates a binding obligation on the charity.

## 2a TANGIBLE FIXED ASSETS – GROUP

	Freehold Properties £	Leasehold Properties £	Computers and Equipment £	Total £
<b>Cost or valuation</b>				
1 January 2021	4,132,025	1,820,242	56,949	6,009,216
Additions	-	-	-	-
Disposals	-	-	(16,613)	(16,613)
Revaluation surplus	85,463	-	-	85,463
31 December 2021	4,217,488	1,820,242	40,336	6,078,066
<b>Depreciation</b>				
1 January 2021	-	-	40,306	40,306
Charge for the year	-	-	10,902	10,902
Released on disposal	-	-	(16,613)	(16,613)
31 December 2021	-	-	34,595	34,595
<b>Net Book Value</b>				
31 December 2021	4,217,488	1,820,242	5,741	6,043,471
31 December 2020	4,132,025	1,820,242	16,643	5,968,910
<b>Historical cost for land and buildings included at valuation:</b>				
31 December 2021	3,728,296	1,820,242		5,548,538
31 December 2020	3,728,296	1,820,242		5,548,538

The properties were last valued by the directors at 31st December 2021 on the basis of fair value. The valuations were made on the basis of information provided by Rapleys, who are professional surveyors.

# THE LONDON BAPTIST ASSOCIATION

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2021 (continued)

### 2b TANGIBLE FIXED ASSETS – COMPANY

	Freehold Properties £	Leasehold Properties £	Computers and Equipment £	Total £
<b>Cost or valuation</b>				
1 January 2021	3,257,025	1,820,242	51,214	5,128,481
Additions	-	-	-	-
Disposals	-	-	(16,613)	( 16,613)
Revaluation surplus/(deficit)	40,463	-	-	40,463
31 December 2021	<u>3,297,488</u>	<u>1,820,242</u>	<u>34,601</u>	<u>5,152,331</u>
<b>Depreciation</b>				
1 January 2021	-	-	32,690	32,690
Charge for the year	-	-	9,384	9,384
Released on disposal	-	-	(16,613)	(16,613)
31 December 2021	-	-	<u>25,461</u>	<u>25,461</u>
<b>Net Book Value</b>				
31 December 2021	<u>3,297,488</u>	<u>1,820,242</u>	<u>9,140</u>	<u>5,126,870</u>
31 December 2020	<u>3,257,025</u>	<u>1,820,242</u>	<u>18,524</u>	<u>5,095,791</u>

Historical cost for land and buildings included at valuation:

31 December 2021	<u>2,853,296</u>	<u>1,820,242</u>	<u>4,673,538</u>
31 December 2020	<u>2,853,296</u>	<u>1,820,242</u>	<u>4,673,538</u>

### 3a INVESTMENTS – GROUP

	Listed investments £	Other investments £	Freehold investment properties £	Total £
<b>Valuation</b>				
1 January 2021	3,047,787	188,728	3,283,500	6,520,015
Additions	525,047	-	-	525,047
Disposals	(888,474)	-	-	(888,474)
Revaluation surplus	191,938	25,249	166,790	383,977
31 December 2021	<u>2,876,298</u>	<u>213,977</u>	<u>3,450,290</u>	<u>6,540,565</u>
<b>Historical Cost</b>				
31 December 2021	<u>2,312,649</u>	<u>149,806</u>	<u>1,388,792</u>	<u>3,851,247</u>
31 December 2020	<u>2,466,191</u>	<u>149,806</u>	<u>1,388,792</u>	<u>4,004,789</u>

The properties were last valued by the directors at 31st December 2021 on the basis of fair value. The valuations were made on the basis of information provided, according to the locality of the properties, by: Rapleys, who are professional surveyors.

All assets are held in the UK.

The listed investment portfolio comprises investments in British Government Stocks, UK quoted and unquoted equities and unit trust investments.

**THE LONDON BAPTIST ASSOCIATION**

NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2021 (continued)

**3b INVESTMENTS – COMPANY**

<b>General Fund</b>	<b>Shares in LBPB</b>	<b>Listed investments</b>	<b>Freehold investment properties</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Market value or valuation at 1 January 2021	1,379,330	283,671	750,660	2,413,661
Additions	-	157,463	-	157,463
Disposals	-	(100,201)	-	(100,201)
Transfers	-	614,082	-	614,082
Revaluation surplus	-	21,825	37,530	59,355
Market value or valuation at 31 December 2021	<u>1,379,330</u>	<u>976,840</u>	<u>788,190</u>	<u>3,144,360</u>
Historical cost or probate value at 31 December 2021	<u>1,379,330</u>	<u>834,950</u>	<u>572,630</u>	<u>2,786,910</u>
31 December 2020	<u>1,379,330</u>	<u>251,494</u>	<u>572,630</u>	<u>2,203,454</u>

The company holds 100% of the 'A' shares in its subsidiary, The London Baptist Property Board Limited.

<b>Restricted and Endowment Funds</b>	<b>Listed investments</b>	<b>Freehold investment properties</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Market value or valuation at 1 January 2021	2,764,116	736,590	3,500,706
Additions	367,584	-	367,584
Disposals	(788,273)	-	(788,273)
Transfers	(614,082)	-	(614,082)
Revaluation surplus	170,113	38,510	208,623
Market value or valuation on 31 December 2021	<u>1,899,458</u>	<u>775,100</u>	<u>2,674,558</u>
Historical cost or probate value at 31 December 2021	<u>1,477,699</u>	<u>128,370</u>	<u>1,606,069</u>
Historical cost or probate value at 31 December 2020	<u>2,214,697</u>	<u>128,370</u>	<u>2,343,067</u>

<b>TOTAL</b>	<b>Shares in LBPB</b>	<b>Listed investments</b>	<b>Freehold investment properties</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Market value or valuation at 1 January 2021	1,379,330	3,047,787	1,487,250	5,914,367
Additions	-	525,047	-	525,047
Disposals	-	(888,474)	-	(888,474)
Revaluation surplus	-	191,938	76,040	267,978
Market value or valuation at 31 December 2021	<u>1,379,330</u>	<u>2,876,298</u>	<u>1,563,290</u>	<u>5,818,918</u>
Historical cost or probate value at 31 December 2021	<u>1,379,330</u>	<u>2,312,649</u>	<u>701,000</u>	<u>4,392,979</u>
31 December 2020	<u>1,379,330</u>	<u>2,433,658</u>	<u>701,000</u>	<u>4,513,988</u>

**THE LONDON BAPTIST ASSOCIATION**

NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2021 (continued)

**4 LOANS TO CHURCHES – GROUP AND COMPANY**

	Designated Fund	Restricted and Endowment Funds	2021 Total	Designated Fund	Restricted and Endowment Funds	2020 Total
	£	£	£	£	£	£
Permanent loans	21,010	626,808	647,818	7,220	433,568	440,788
Fixed loans	1,750	1,876,252	1,878,002	12,000	1,118,135	1,130,135
	<u>22,760</u>	<u>2,503,060</u>	<u>2,525,820</u>	<u>19,220</u>	<u>1,551,703</u>	<u>1,570,923</u>

Permanent loans are repayable on closure, withdrawal or sale of the site and are in most cases interest-free. Fixed-term loans are interest-free. These loans are predominantly payable after more than one year.

The group has the following capital commitments at 31 December:

	2021 £	2020 £
Loan facilities approved but not yet taken up	<u>656,500</u>	<u>760,398</u>

**5 a DEBTORS – GROUP**

	2021 £	2020 £
Advances (financial assets measured at amortised cost)	3,691,341	3,524,295
Prepayments and sundry debtors	7,615	41,290
Accrued income	25,771	-
	<u>3,724,727</u>	<u>3,565,585</u>

**5 b DEBTORS – COMPANY**

	2021 £	2020 £
Prepayments and sundry debtors	3,998	475
Accrued income	919	-
	<u>4,917</u>	<u>475</u>

**6 a CREDITORS – GROUP**

	2021 £	2020 £
Amounts falling due within one year	11,725,705	12,564,509
7 day notice deposits and interest accrued	229,774	187,799
Sundry creditors and accruals	11,955,479	12,752,308
	<u>11,955,479</u>	<u>12,752,308</u>

**6 b CREDITORS – COMPANY**

	2021 £	2020 £
Amounts falling due within one year	197,015	174,101
Sundry creditors and accruals	197,015	174,101
	<u>197,015</u>	<u>174,101</u>

**THE LONDON BAPTIST ASSOCIATION**

NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2021 (continued)

**7 UNRESTRICTED FUNDS – COMPANY**

	Designated Funds						Total Designated Funds £	General Fund £	Total Unrestricted Funds £
	Legacy Reserve Fund £	Mission Partnership Fund £	Barnabas Fund £	Ch Extn Reconstn Fund £	Thames Gateway Project £	Pension Fund £			
<b>2021</b>									
Balance at 1 January 2021	14,026	102,476	160	49,605	508,416	-	674,683	7,220,921	7,895,604
Income	-	135,208	3	50	-	-	135,261	808,634	943,895
Expenditure	-	(146,544)	(160)	-	-	-	(146,704)	(566,151)	(712,855)
Net gains on investments	-	-	-	-	-	-	-	59,562	59,562
Gains on revaluation of fixed assets	-	-	-	-	40,463	-	40,463	-	40,463
<i>Transfers</i>									
From restricted Pension Fund	-	-	-	-	-	295,384	295,384	-	295,384
Close Pension Fund	-	-	-	-	-	(295,384)	(295,384)	295,384	-
Internal grant from John Bradford Trust	-	-	-	-	-	-	-	8,000	8,000
Close Barnabas Fund	-	-	(3)	-	-	-	(3)	3	-
Total transfers	-	-	-	-	-	-	(3)	303,387	383,384
Balance at 31 December 2021	14,026	91,140	-	49,655	548,879	295,384	703,700	7,826,353	8,530,053

	Designated Funds							Total Designated Funds £	General Fund £	Total Unrestricted Funds £
	Legacy Reserve Fund £	Designated interest £	Mission Partnership Fund £	Barnabas Fund £	Ch Extn Reconstn Fund £	Thames Gateway Project £	Youth Mission £			
<b>2020</b>										
Balance at 1 January 2020	14,026	1,210	131,073	5,140	49,515	408,416	224	609,604	7,038,418	7,648,022
Income	-	1	135,471	20	90	-	-	135,582	572,091	707,673
Expenditure	-	(1,838)	(164,068)	(5,000)	-	-	(1,975)	(172,881)	(533,795)	(706,676)
Net gains on investments	-	-	-	-	-	-	-	-	146,585	146,585
Gains on revaluation of fixed assets	-	-	-	-	-	100,000	-	100,000	-	100,000
Transfers between funds	-	627	-	-	-	-	1,751	2,378	(2,378)	-
Balance at 31 December 2020	14,026	-	102,476	160	49,605	508,416	-	674,683	7,220,921	7,895,604

**THE LONDON BAPTIST ASSOCIATION**

NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2021 (continued)

**8 RESTRICTED AND ENDOWMENT FUNDS – GROUP AND COMPANY**

	<b>JW Beaumont Trust Fund £</b>	<b>John Bradford Trust £</b>	<b>Compass- ionate Trust Fund £</b>	<b>Hounslow BC Reserve £</b>	<b>Jamaica Appeal £</b>	<b>Manse Trust Fund £</b>	<b>Pension Fund £</b>	<b>TW Philpot Trust £</b>	<b>Valley Mission Fund £</b>	<b>TOTAL £</b>
<b>2021</b>										
<b>RESTRICTED FUNDS</b>										
Balance at 1 January 2021	7,599	568,542	9,970	78,752	-	862,419	295,384	3,665,087	109,032	5,596,785
Total income	15	6,230	1,147	3,696	20,736	5,695	-	43,641	1,141	82,301
Total expenditure	(552)	-	(740)	(5,000)	(20,736)	(3,026)	-	(19,811)	-	(49,865)
Net gains/(losses) on investments	-	25,995	1,102	8,456	-	41,412	-	192,659	13,967	283,591
Transfers between funds	-	(8,000)	-	-	-	-	(295,384)	-	-	(295,384)
Balance at 31 December 2021	7,062	592,767	11,479	85,904	-	906,500	-	3,881,576	124,140	5,609,428
<b>ENDOWMENT FUNDS</b>										
Deposits with LBPB Limited	3,087	-	-	-	-	-	-	-	-	3,087
<b>2020</b>										
<b>RESTRICTED FUNDS</b>										
Balance at 1 January 2020	7,569	538,484	11,819	73,372	-	756,928	372,738	3,512,502	102,963	5,376,375
Total income	30	6,012	880	1,797	-	4,836	-	53,313	3,012	69,880
Total expenditure	-	(8,000)	(1,000)	-	-	(3,456)	(77,354)	(19,264)	(3,000)	(112,074)
Net gains/(losses) on investments	-	32,046	(1,729)	3,583	-	104,111	-	118,536	6,057	262,604
Transfers between funds	-	-	-	-	-	-	-	-	-	-
Balance at 31 December 2020	7,599	568,542	9,970	78,752	-	862,419	295,384	3,665,087	109,032	5,596,785
<b>ENDOWMENT FUNDS</b>										
Deposits with LBPB Limited	3,087	-	-	-	-	-	-	-	-	3,087

A description of the nature and purpose of each fund and an explanation for the transfers is on pages 11 and 12 of the accounts.

# THE LONDON BAPTIST ASSOCIATION

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2021 (continued)

### 9 CHURCH CONTRIBUTIONS – GROUP AND COMPANY

	2021 £	2020 £
Other church contributions	123,316	115,452
	<u>123,316</u>	<u>115,452</u>

### 10 GRANTS

	2021				2020			
	No	Group £	No	Company £	No	Group £	No	Company £
<b>Grants in the period:</b>								
Churches re Buildings		-		-	-		2	1,838
Other grants to churches and organisations	20	176,056	20	176,056	25	180,068	25	180,068
		<u>176,056</u>		<u>176,056</u>		<u>180,068</u>		<u>181,906</u>
Individuals:	4	1,940	4	1,940	1	1,000	1	1,000
		<u>177,996</u>		<u>177,996</u>		<u>181,068</u>		<u>182,906</u>

Material grants included above:

London Arabic	3,750	15,000
Kings Cross Baptist Church (Breathe)	6,416	11,000
E1 Community Church	7,975	9,040
Hersham Baptist Church	8,531	11,375
London Network Church	9,380	11,725
London Spanish Speaking Church	10,000	10,238
Hebe Foundation	10,000	11,000
Mill Hill East Baptist Church	10,000	11,000
Old Lodge Lane Baptist Church	10,500	10,750
Bonny Downs Baptist Church	11,375	11,375
Third Space Ministries	11,375	11,375
The Kings Cross Baptist Church	11,542	12,500
East Hill Baptist Church	12,000	-
International Parise Centre	17,000	-
Jamaica Appeal	<u>25,000</u>	<u>-</u>

# THE LONDON BAPTIST ASSOCIATION

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2021 (continued)

### 11 SUPPORT TO CHURCHES

	2021		2020	
	Group £	Company £	Group £	Company £
Employment costs:				
Salaries	301,057	248,635	271,245	238,430
National Insurance – employers	22,844	17,914	19,551	17,135
Pension contributions – employers	29,184	24,233	26,646	23,364
Defined benefit scheme movement	(2,543)	(2,543)	(50,894)	(50,894)
	350,542	288,239	266,548	228,035
Printing and stationery	458	395	1,865	1,865
Postage and telephone	10,988	9,635	11,557	10,081
Premises costs	31,021	62,353	67,342	76,683
Professional fees	33,226	4,253	70,091	39,779
Committee and conference expenses	3,115	2,596	6,739	6,661
Computer and office equipment	20,490	12,350	20,134	13,874
Travel expenses	10,289	10,278	11,534	11,519
Subscriptions and donations (note 12)	4,649	4,649	5,630	5,630
Bank charges	960	271	922	220
Depreciation	10,902	9,384	9,241	7,531
Loan interest	19,176	-	38,797	-
Contributions to BUGB Home Mission	128,721	128,721	111,460	111,460
Grants (note 10)	177,996	177,996	181,068	182,906
Closed Church Pension Debts	-	-	77,354	77,354
Sundry expenses	15,553	13,405	12,844	9,064
Governance costs – auditors remuneration	12,840	7,080	12,180	6,780
	830,926	731,605	905,306	789,442

The average number of employees during the year was 12 (2020: 12). No employee earned £60,000 or more during the year. Included in staff costs are £3,765 of redundancy costs (2020: £nil).

### 12 SUBSCRIPTIONS AND DONATIONS

	2021 £	2020 £
Baptist Union of Great Britain	1,648	1,645
Evangelical Alliance	250	250
London Church Leaders' Secretary	100	1,000
Churches together in South London	2,508	2,735
Churches together in Essex and East London	143	-
	4,649	5,630

# THE LONDON BAPTIST ASSOCIATION

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2021 (continued)

### 13 INVESTMENT INCOME

	2021		2020	
	Group £	Company £	Group £	Company £
Rent from investment properties	54,005	42,793	53,567	41,199
Dividends	77,637	67,462	81,555	72,342
Interest on short term deposits	52,981	1,719	84,340	3,886
	<u>184,623</u>	<u>111,974</u>	<u>219,462</u>	<u>117,427</u>

### 14 LIABILITIES FALLING DUE AFTER MORE THAN ONE YEAR

Repayment of the loans from the London Baptist Property Board Limited is only due on disposal of the relevant properties. Interest is payable at the current rate charged by the London Baptist Property Board Limited.

### 15 MEMBERS

The company is limited by guarantee. The liability of the members is limited to £1 on the winding up of the company. The number of member churches at 31 December 2021 was 298.

### 16 REVALUATION RESERVE

	Investment Properties £	Investments £	Freehold Properties £	Total £
<b>2021</b>				
<b>GROUP</b>				
Balance at 1 January 2021	1,894,708	620,518	403,731	2,918,957
Unrealised gains on revaluations in the period	166,790	217,187	85,463	469,440
Realised gains on disposals	-	(209,884)	-	(209,884)
Balance at 31 December 2021	<u>2,061,498</u>	<u>627,821</u>	<u>489,194</u>	<u>3,178,513</u>
<b>2021</b>				
<b>COMPANY</b>				
Balance at 1 January 2021	786,250	581,596	403,730	1,771,576
Unrealised gains on revaluations in the period	76,040	191,938	40,463	308,441
Realised losses on disposals	-	(209,884)	-	(209,884)
Balance at 31 December 2021	<u>862,290</u>	<u>563,650</u>	<u>444,193</u>	<u>1,870,133</u>

**THE LONDON BAPTIST ASSOCIATION**

NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2021 (continued)

**16 REVALUATION RESERVE (Continued)**

	Investment Properties £	Investments £	Freehold Properties £	Total £
<b>2020 GROUP</b>				
Balance at 1 January 2020	981,509	597,644	749,056	2,328,209
Unrealised gains on revaluations in the period	417,874	71,359	150,000	639,233
Realised gains on disposals	-	(48,485)	-	(48,485)
Balance at 31 December 2020	1,399,383	620,518	899,056	2,918,957
	Investment Properties £	Investments £	Freehold Properties £	Total £
<b>2020 COMPANY</b>				
Balance at 1 January 2020	460,226	519,105	303,730	1,283,061
Unrealised gains on revaluations in the period	326,024	110,976	100,000	537,000
Realised losses on disposals	-	(48,485)	-	(48,485)
Balance at 31 December 2020	786,250	581,596	403,730	1,771,576

**17 ANALYSIS OF NET ASSETS BETWEEN FUNDS – GROUP**

2021 GROUP	Tangible fixed assets £	Investments £	Loans to churches £	Net current assets £	Long Term Liabilities £	Total £
<b>Endowment Funds</b>	-	-	-	3,087	-	3,087
<b>Restricted Funds</b> (per note 8)	-	2,674,558	2,503,060	431,810	-	5,609,428
<b>Unrestricted Funds</b>						
Designated Funds	600,000	-	22,760	125,682	-	748,439
General Fund	5,443,471	3,866,007	-	1,009,477	(86,401)	10,232,554
	6,043,471	6,540,565	2,525,820	1,570,053	(86,401)	16,593,508
	Tangible fixed assets £	Investments £	Loans to churches £	Net current assets £	Long Term Liabilities £	Total £
<b>2021 COMPANY</b>						
<b>Endowment Funds</b>	-	-	-	3,087	-	3,087
<b>Restricted Funds</b> (per note 8)	-	2,674,558	2,503,060	431,810	-	5,609,428
<b>Unrestricted Funds</b>						
Designated Funds	600,000	-	22,760	172,524	(91,584)	703,700
General Fund	4,526,870	3,144,360	-	241,524	(86,401)	7,826,353
	5,126,870	5,818,918	2,525,820	848,945	(177,985)	14,142,568

# THE LONDON BAPTIST ASSOCIATION

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2021 (continued)

<b>2020 GROUP</b>	<b>Tangible fixed assets £</b>	<b>Investments £</b>	<b>Loans to churches £</b>	<b>Net current assets £</b>	<b>Long Term Liabilities £</b>	<b>Total £</b>
<b>Endowment Funds</b>	-	-	-	3,087	-	3,087
<b>Restricted Funds</b> (per note 8)	-	3,500,706	1,551,703	544,376	-	5,596,785
<b>Unrestricted Funds</b>						
Designated Funds	600,000	-	19,220	106,719	-	725,939
General Fund	5,293,910	3,094,309	-	1,194,128	(107,377)	9,474,970
	<u>5,893,910</u>	<u>6,595,015</u>	<u>1,570,923</u>	<u>1,848,310</u>	<u>(107,377)</u>	<u>15,800,781</u>
<b>2020 COMPANY</b>	<b>Tangible fixed assets £</b>	<b>Investments £</b>	<b>Loans to churches £</b>	<b>Net current assets £</b>	<b>Long Term Liabilities £</b>	<b>Total £</b>
<b>Endowment Funds</b>	-	-	-	3,087	-	3,087
<b>Restricted Funds</b> (per note 8)	-	3,500,706	1,551,703	544,376	-	5,596,785
<b>Unrestricted Funds</b>						
Designated Funds	600,000	-	19,220	147,047	(91,584)	674,683
General Fund	4,495,791	2,413,661	-	418,846	(107,377)	7,220,921
	<u>5,095,791</u>	<u>5,914,367</u>	<u>1,570,923</u>	<u>1,113,356</u>	<u>(198,961)</u>	<u>13,495,476</u>

### 18 DIRECTORS AND RELATED PARTY TRANSACTIONS

2 directors (2020: 1) were reimbursed travel expenses of £1,144 (2020: £1,372) during the period.

Revd P Barnard, a director, received emoluments of £40,603 (2020: £39,477) and pension contributions of £3,930 (2020: £3,930) as permitted by the Memorandum of Association.

Retirement benefits are accruing to 1 (2020: 1) director under money purchase and defined benefit schemes.

The total employee benefits of the key management personnel of the charity were £208,365 (2020: £195,629).

### 19 PENSIONS and PROVISIONS

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

For any month, each participating employer in the Scheme pays contributions as set out in the Schedule of Contributions in force at that time.

The Scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This is because it is not possible to attribute the Scheme's assets and liabilities to specific employers and means that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are contributions payable towards benefits and expenses accrued in that year, plus any impact of deficiency contributions (see below).

**NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2021 (continued)**

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The Regional Ministers and staff are eligible to join the Scheme. 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%.

A formal valuation of the DB Plan as at 31 December 2019 was carried out by a professionally qualified Actuary using the Projected Unit Method. At the valuation date the market value of the DB Plan assets was £298 million, whilst the level of assets needed to pay benefits was £316m, giving a deficit of £18m (equivalent to a past service funding level of 94%). The Church and the other participating employers in the DB Plan are collectively responsible for funding this deficit.

**Actuarial valuation as at 31 December 2019**

A formal valuation of the DB Plan as at 31 December 2019 was carried out by a professionally qualified Actuary using the Projected Unit Method. At the valuation date the market value of the DB Plan assets was £298 million, whilst the level of assets needed to pay benefits was £316m, giving a deficit of £18m (equivalent to a past service funding level of 94%). The Church and the other participating employers in the DB Plan are collectively responsible for funding this deficit.

The key assumptions underlying the valuation were as follows:

<b>Type of financial assumption</b>	<b>% pa</b>
RPI price inflation assumption	3.20
CPI price inflation assumption	2.70
Minimum Pensionable Income increases (RPI)	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	
- Main Scheme pension	2.70

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 is due to take place not later than as at 31 December 2022.

**19 PENSIONS (continued)**

**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.

Under the current Recovery Plan signed in September 2020, deficiency contributions are payable until June 2026. These contributions are broadly based on the employer's membership at 31 December 2014 and increase annually in line with increases to Minimum Pensionable Income as defined in the Rules.

**Movement in Balance Sheet liability**

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

	2021	2020
	£	£
Brought forward	107,377	171,857
Deficiency contributions paid in year	(18,433)	(13,586)
Interest cost (recognised in SoFA)	393	2,806
Remaining change to balance sheet liability* (recognised in SoFA)	(2,936)	(53,700)
Carried forward	86,401	107,377

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

This liability represents the present value of the deficit contributions agreed as at the accounting date and has been valued using the following assumptions set by reference to the duration of the deficit recovery payments:

Accounting date	31 December 2021	31 December 2020	31 December 2019
Discount rate	2.0%	0.4%	1.7%
Future increases to Minimum Pensionable Income	4.1%	3.0%	3.2%

**20 INVESTMENTS IN SUBSIDIARIES**

The London Baptist Association holds all of the 411 'A' voting shares in the London Baptist Property Board Ltd and 683 non-voting 'B' shares. The London Baptist Property Board Ltd serves the work of the Association by acting as holding trustee for the majority of the churches in membership with the Association and by offering a facility for deposit and loan fund accounts. The LBPB is a company, number 88218 and a registered charity number 249768.

Shareholder funds in the London Baptist Property Board Ltd at 31 December 2021 were £3,823,420 (2020: £3,677,784).

A summary of income and expenditure is as follows:

	2021	2020
	£	£
Income	238,460	258,674
Expenditure	(253,823)	(257,033)
Net income/(expenditure) before revaluations	(15,363)	1,641
Gains/(losses) on revaluations and disposals of fixed and investment assets	160,999	102,233
Net movement in funds	145,636	103,874

The subsidiary has been included in the consolidated accounts.

**THE LONDON BAPTIST ASSOCIATION**

England & Wales - Charity number 1091160

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# Accounts

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**THE LONDON BAPTIST ASSOCIATION**  
**REPORT OF THE DIRECTORS**  
**and**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 DECEMBER 2020**

**In membership with the  
Baptist Union of Great Britain**

**Charity Registration No: 1091160**

**Company Number: 04325272**

# THE LONDON BAPTIST ASSOCIATION

## COMPANY INFORMATION

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### DIRECTORS

Rev A Afriyie	Miss N Idehen (appointed 3 March 2021)
Rev P Barnard	Mrs F Ogunyide
Rev Dr A Beavis	Mrs M Ross
Miss A Buhari	Rev J Schofield
Mrs J Dehaney (until 14 July 2020)	Mr N Sherringham
Rev G Hindmarch	Rev L Wright (appointed 3 March 2021)

### OFFICERS

Moderator	Rev A Afriyie
Regional Minister (Team Leader)	Rev P Barnard *
Regional Minister	Rev H Abdelmasih*
Regional Minister (part-time)	Rev W Bygrave*
Regional Minister (part-time)	Rev C Bostridge*
Regional Minister	Rev L Johnson*
Honorary Treasurer	Mrs F Ogunyide
Company Secretary	Mr N Kincaid*

The key management personnel (\*) are the Directors, the Regional Minister (Team Leader) together with the other Regional Ministers and the Company Secretary.

### SOLICITORS

Carter Lemon Camerons  
10 Aldersgate Street  
London EC1A 4HJ

### SURVEYORS

Rapleys  
33 Jermyn Street  
London SW1Y 6DN

### BANKERS

Barclays Bank plc  
Barclays Commercial Bank  
1 Churchill Place  
London E14 5HP

HSBC Bank plc  
186 Broadway  
Didcot  
Oxfordshire OX11 8RP

### AUDITORS

Jacob Cavenagh & Skeet  
5 Robin Hood Lane  
Sutton  
Surrey SM1 2SW

### INVESTMENT MANAGERS

Rathbones  
8 Finsbury Circus  
London EC2M 7AZ

## **THE LONDON BAPTIST ASSOCIATION**

### **REPORT OF THE BOARD OF DIRECTORS FOR THE YEAR ENDED 31ST DECEMBER 2020**

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The Board of Directors has pleasure in reporting on the Financial Statements for the year ended 31 December 2020, which have been prepared in accordance with the Companies Act 2006, the Charities Act 2011 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)".

#### **GOVERNANCE AND MANAGEMENT**

The London Baptist Association (LBA) is a company limited by guarantee and registered in England (number 4352572) and is a registered charity (no 1091160). It was formed in November 2001 and began operating in 2002 when it took over the assets and liabilities of the former unincorporated Association which was formed in 1865. The company is governed by its Memorandum and Articles of Association (revised October 2002, June 2009, June 2010 and July 2016). The board of directors is partly elected or appointed by the member churches and partly co-opted. Baptist churches are admitted into membership by the passing of an ordinary resolution. The directors establish the strategy of the Association, which is implemented by the Regional Ministers, other members of staff, committees and working groups.

The directors of the LBA appoint the directors of the London Baptist Property Board Ltd (a subsidiary company).

#### **PRINCIPAL ACTIVITIES AND OBJECTS**

The object of the company is the advancement of Christianity in and through its member churches individually and acting together, in accordance with the principles of the Baptist denomination. The Association is affiliated to the Baptist Union of Great Britain. The company seeks to fulfil its purpose through resourcing, supporting and encouraging the life and mission of its member churches.

The activities of The London Baptist Property Board Limited (LBPB), the subsidiary, are principally to act as the custodian trustee for Baptist churches, to provide loans and to accept deposits to finance the provision of church premises and manses.

#### **THE ASSOCIATION'S ACTIVITIES AND PUBLIC BENEFIT**

The Directors are aware of and have had regard to the Charity Commission's published guidance on public benefit. The company serves the public benefit by the advancement of the Christian faith in and through its member churches. The company acts as an umbrella body for its member churches, which are all separate charities, serving the public benefit.

Following the successful consolidation of the new regional team and the move to our new offices at 15 Dock Street in 2019, 2020 represented a year of huge upheaval for the company due to the COVID-19 pandemic. Like all sectors of society, the Association and its churches were deeply affected by the disruptive and disorienting impact of the illness and the associated lockdowns. During the first lockdown from March 2020, all churches were closed for public worship. It is hard to overstate the impact of this decision on communities across the country. Indeed, most churches, due to COVID restrictions, did not regularly return to public worship until September – and some not at all to date.

However, this did not mean the churches were 'closed' to serving our communities or meeting online. In both these areas, our member churches have worked incredibly hard. Upskilling in technology and finding new ways to 'connect' people together or serve communities have been notable achievements this year.

The support to the churches thus took vastly different forms in 2020. Online preaching, worship leading, and deacons' meetings became the norm. In some ways our work has become more efficient due to a lack of travel. However, online meetings are also mentally exhausting and just because you can 'walk' into one virtual space straight from one to another doesn't always mean you should without a break.

## THE LONDON BAPTIST ASSOCIATION

### REPORT OF THE BOARD OF DIRECTORS FOR THE YEAR ENDED 31ST DECEMBER 2020 (CONTINUED)

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Due to the government's urge towards home working, the Regional Ministry and Staff teams did so. Whilst it was disappointing to have to leave our new offices so soon, the new IT systems and software we had installed as a consequence of moving from Bloomsbury proved a lifesaver. Microsoft Office 365 has allowed us to use SharePoint and Teams to name but two applications. Likewise, we – like everyone in society – have discovered that relatively unknown platform, but now ubiquitous, Zoom.

Our relationships with the churches continue to be strong and the Association has worked in tandem with the BUGB Specialist Teams to deliver advice and guidance on running churches in the context of COVID. Due to remote working, regular communications via Mailchimp were taken over by the Team Leader, The Revd. Phil Barnard. Phil has worked hard to ensure the churches are fully apprised of the latest government guidelines on the safe opening of churches.

It has been encouraging to see churches create new opportunities for mission and ministry through the creative use of their buildings and online opportunities. Many smaller churches have led the way on this and we have seen activities such as FareShare and even, latterly, vaccine centres being set up. Likewise, many churches have greatly expanded their 'audience' through YouTube and Facebook than they ever would have 'in person'.

It should be noted, however, that the emotional and mental strains of repeated lockdowns and future uncertainty has had its toll on our communities. The Regional Ministry Team have been involved in many situations requiring mediation and conflict resolution. Some of these situations were unquestionably exacerbated by the pandemic. We are currently advising ministers on their 'recovery' from the pandemic as bereavement and loss have proven extremely painful for churches, families and communities throughout this time.

The Revd. Phil Barnard and The Revd. Lee Johnson continue represent the regional team as directors of the London Baptist Property Board. They provide valuable contributions on the churches situation 'on the ground' for the purposes of buildings developments, loans and trust matters. Despite the pandemic slowing many of these initiatives, we are seeing many exciting development projects being taken forward.

More broadly, the Regional Team represent the Association in a variety of contexts. The Team Leader continues to represent the Association nationally as part of the Baptists Together Core Leadership Team (formerly known as the Baptist Steering Group), National Settlement Team, Baptist Union Council and the Children Youth and Families Round Table – and locally – as a member and trustee of the ecumenical London Church Leaders charity.

The Team Leader's involvement as a BUGB delegate for the 2020 Baptist World Alliance did not proceed as planned. The quinquennial assembly in Rio de Janeiro in Brazil was cancelled due to the pandemic and has been rescheduled as an online event this coming July. The Revd. Hany Abdelmasih represents the Association nationally as part of the BUGB Mission Forum and Small Churches Network. Hany has also pioneered the launch of a London-wide intercessory prayer team for the work of the association and churches. This now has around 40 regular participants. The Revd. Lee Johnson continues as a member of the National Ministerial Recognition Committee and is now also involved in Churches Together in Essex and East London (CTEEL). The Revd. Carol Bostridge continues to represent the Association on the steering group of Churches Together in South London. The Revd. Winston Bygrave makes significant contributions in the area of theological and lay training; both within and beyond his geographical pastoral area.

Mr. Pete Herbert-James, our safeguarding lead and youth forum co-ordinator decided to pursue ordained Baptist ministry during 2020 and his wife, Jo, was offered a place studying for a PhD in Wales. Thus, Pete and Jo relocated to Cardiff in the autumn. Pete resigned as our safeguarding lead but continues with his oversight of our CYF (Children, Youth and Families) work which he delivers both remotely and via commuting. During the pandemic, he and the Youth Forum team provided extremely popular online activities. He continues to facilitate the youth forum (bringing together youth practitioners) and the younger leaders group (supporting young ministers and lay leaders). His role is part-funded by Home Mission.

## THE LONDON BAPTIST ASSOCIATION

### REPORT OF THE BOARD OF DIRECTORS FOR THE YEAR ENDED 31ST DECEMBER 2020 (CONTINUED)

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With Pete's move to Cardiff, we recruited a new safeguarding officer in Mrs. Rachel Swaby who began working with us in September. Rachel, a member of New Park Road Baptist Church in Streatham, brings great experience in working in both educational and church contexts. Rachel works part-time but the workload in supporting our churches with the vital work of safeguarding could easily be attributed to a full-time person. Since beginning work in September, Rachel has been advising churches on contracts for offenders, planning training events (online) and offering guidance on safeguarding policies. She is working with the National Safeguarding Team at expanding our online training provision.

Our first-year cohort of interns concluded their year with us in the summer of 2020. Despite COVID, all three were able to have a fulfilling experience of church and wider Christian work. Indeed, one of them, Nosa Idehen, recently became a director of the Board in March 2021. Our second cohort of interns began their experience in September and we welcomed Mr. Josh Amos, Mr. Archie Catchpole and Mr. Femi Onanuga into the team; they are placed at Ashurst Drive BC (Ilford), Mill Hill Church and Cross Street BC (Islington) respectively.

#### **New brand identity and website**

In an exciting development, we were able to complete a rebrand of our entire organisation. This had long been in the planning and we began the process in early 2020. Despite lockdown, the benefits of zoom ensured we could continue this work. Working with Sparks Studio (Shoreditch), a small group – led by the Team Leader - developed the various options for eventual presentation to the Board. We are thankful to Mr. Neil Sherringham, Rev. Carol Bostridge, Miss. Amie Buhari, Rev. Denzil Larbi, and Rev. Jim Sutton for their input and shaping of the new identity. The central departure in the new branding is our trading name which is now '**London Baptists**'. Sparks strongly urged us away from archaic language and acronyms ('LBA') as they only speak to insiders. Our tagline is '*Helping London's Baptist churches thrive*' and the colourful shapes and sizes within the branding allude to the vast diversity of our churches and communities. A new website ([www.londonbaptist.org.uk](http://www.londonbaptist.org.uk)) was launched in September to much acclaim from the churches. All of our materials are now being branded with the new imagery and we are currently working on some in house videos to promote the work of the Property Board.

#### **LBA Board**

Due to the pandemic, the LBA was unable to hold an AGM during 2020. However, we were able to continue to remain in touch with our churches via our regular Mailchimp mailings and it was finally possible to arrange a 'Zoom AGM' on the 3 March 2021 to present the accounts, elect new directors and for the Regional Team Leader to deliver an address on lessons learnt in the pandemic. We were pleased to have over 100 users login to the AGM which far exceeds the regular number of physical attendees. At the meeting, there were four directors vacancies and four nominations hence precluding the need for an election. Mrs. Marilyn Ross and Rev. Alex Afriyie were appointed for their second terms of office and we welcomed Rev. Lucy Wright and Miss. Nosa Idehen for their first terms of office.

At the same event, we were able to welcome an unusual 'transfer in' from the Eastern Baptist Association: Romford Baptist Church. Romford BC, a church in Havering, was historically part of Essex but the urban sprawl of the capital has drawn them to ourselves. We look forward to building a strong relationship with them. We transferred out Trinity BC (Slough) to the Southern Counties Baptist Association and reported on two closures: Esperance De La Gloire (Sudbury) and Woodford Wells Ecumenical Church. As of the 31 December, the number of churches in membership of the Association stood at 298.

#### **Other significant events**

Whilst it now seems a long time ago, our annual Ministers Conference was held at High Leigh Conference Centre in Hoddesdon from 10-12 February. The keynote speakers were the Revd. Ken Benjamin, former pastor of Chichester Baptist Church and now Director of Church Relationships with the London Institute of Contemporary Christianity; the Revd. Dr William Atkinson from The London School of Theology; and the Revd. Lynn Green, General Secretary of the Baptist Union of Great Britain. The theme of the conference

## THE LONDON BAPTIST ASSOCIATION

### REPORT OF THE BOARD OF DIRECTORS FOR THE YEAR ENDED 31ST DECEMBER 2020 (CONTINUED)

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was '*Leading Today's Church into Tomorrow's World*'. All the keynote speakers offered inspirational insights into this important matter.

#### **Pensions**

The pension crisis in the Baptist Union has been brought to a sustainable position through the 'Family Solution' being put in place for the Minister's DB scheme. This involved the injection of capital and a negotiation with the pension trustee – the result of which has significantly reduced the scheme deficit and preserved the 12% deficit contributions of participating employers. It is hoped that the scheme will reach full funding within a decade. The LBA continues to be a participating employer and meets its significant (48% of standard stipend) deficit contributions.

#### **Future vision**

Building on the rebrand done by Sparks Studio, we go forward into 2021 looking for ways in which we can help our churches thrive. Obviously, recovery from the pandemic is foremost in our thoughts and we are looking to support ministers and leadership teams as they consider how the pandemic has changed both their churches – but also their mission emphasis. The Regional Team are considering ways to create 'held spaces' for ministers to share and lament the difficulties of the last year – but we are already seeing hopeful developments as the 'disruption' of this last year has provided an opportunity to reflect on our effectiveness.

#### **The core activities of the company**

Alongside the aforementioned tasks and events, the company continued with its core activities. The Association largely fulfils its objects through the work of the LBA Regional Ministry Team. All of the team offer support and encouragement to member churches and have been challenged by a number of especially difficult situations.

The directors met on six occasions during the year to conduct the business of the LBA, discharge their responsibility for the charity's finances, and oversee the implementation of the agreed strategy. The new directors of the Board (appointed March 2021) was overseen by the Company Secretary and the Team Leader.

The work of the team has been complemented by others who work for the Association in a part-time or voluntary capacity. The District Ministers offered encouragement to fellow ministers in their respective districts and, during the pandemic, online gatherings have increased turnout. Mrs. Hilary Taylor (Small Church Enabler) has continued to convene the leaders of a number of small churches providing support and encouragement and has facilitated the work of the Small Church Connexion.

Mr. Paul Barker, our Heathrow Airport chaplain, has been deeply affected by the pandemic and eventually spent most of 2020 on furlough. As widely reported in the media, the air travel is now at a fraction of the level it was at the beginning of 2020 and Heathrow Airport Ltd (HAL) restricted access to the terminals by the chaplains at points. There are significant questions over the funding of the multi-faith chaplaincy going forward. Due to cutbacks, it seems that HAL's support of the chaplaincy is in doubt and it was sad to note that the Revd. Howie Adan left his post as lead chaplain. Rev. Adan's pioneering work there will be much missed.

Despite all working from home, the work of the office staff has again been invaluable in furthering the work of the Association. Mr. Norman Kincaid, the Association's Administrator, has provided excellent support to member churches, Regional Ministers and directors and has run the Association's administration with calm efficiency. Mrs. Cynthia Arthur, our association administrative assistant was placed upon the Government's Coronavirus Job Retention Scheme in March. Indeed, she was stranded in Ghana on vacation when the pandemic resulted in closed borders. She did not return to the UK for several months and still remains on furlough. The Board of Directors would want to express their heartfelt thanks for the work of the staff during this extremely demanding time.

## THE LONDON BAPTIST ASSOCIATION

### REPORT OF THE BOARD OF DIRECTORS FOR THE YEAR ENDED 31ST DECEMBER 2020 (CONTINUED)

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Mrs. Deborah Scott, who has been the Property Board bookkeeper for several years, took on additional responsibility with effect from January 2020 as the LBA bookkeeper following the termination of our contract with Baptist Union for this service. Deborah has streamlined our financial procedures with remarkable efficiency. Additionally, she has single-handedly managed the transition to new accounting software with great success.

The Mission Partnership Funding Committee awarded funding to 14 churches, totalling £157,178. Dr. Colin Hicks has responsibility for administering the application process which had included running several workshops to explain the new criteria and assessment process.

The Ministerial Recognition Committee met on eight occasions during the year, interviewing twelve candidates and commending all of them as potential ministerial candidates or lay pastors.

The key management personnel of the charity as listed on page 1 are in charge of directing, controlling, running and operating the charity on a day-to-day basis. Details of directors' remuneration, expenses and related party transactions are disclosed in Note 18 to the financial statements.

The pay of senior staff is reviewed annually and normally increased in accordance with average earnings. These awards are decided by the directors but generally follow guidelines from BUGB who decide the standard stipend nationally for Baptist ministers.

The Home Mission appeal in London slightly reduced compared to the previous year, but in view of the financial pressures on churches during the pandemic it was nevertheless a very encouraging outcome. It fell slightly short of the combined (donations plus subscriptions) budget target of £600,000. Churches in membership with the LBA contributed £466,492 (2019 £474,067) to the Baptist Union Home Mission Fund appeal and £111,460 (2019 £118,876) from subscriptions to the LBA from member churches.

## PLANS FOR THE FUTURE

### ***Recovery from COVID***

- We suspect 2021 will be a year of recovery as our churches wrestle with changed context, bereavement and financial challenges.
- The team are focused on helping ministers and leaders process these matters.
- Our Ministers Conference in February 2021 was an online day conference focused on the pandemic with keynote speakers: Dr. Paula Gooder, and our team leader, Rev. Phil Barnard. Worship sets were provided by Mill Hill Church and the day took the format of live-streaming via youtube and zoom discussions. Over 100 leaders participated.

### ***Finance & Strategy***

- Given the circumstances, the Home Mission appeal for 2020 was could be deemed extremely successful in London – and for this we are grateful. However, the national picture was disappointing and, alongside some poor returns from BUGB, the common purse was hit with a 15% shortfall – passed onto associations. We have some hard decisions to regarding expenditure during 2021.
- We continue to support churches through Mission Partnership Grants. Going forward, we are hopeful to see these continue but financial constraints will need to be factored in.

### ***New networking opportunities***

- Our London Baptists Justice Hub has recently been approved and will seek to promote and signpost matters of justice for our churches.
- A new development the 'LB Chaplains Connect Group' has recently been launched which will seek to support those Baptists (paid or voluntary) working as chaplains in different sectors.

### ***Continual Ministerial Development***

- London Baptists are promoting the launch of CMD in our ministerial cohort. We are encouraging ministers in their participation and signposting them to spiritual direction and pastoral supervision.

## THE LONDON BAPTIST ASSOCIATION

### REPORT OF THE BOARD OF DIRECTORS FOR THE YEAR ENDED 31ST DECEMBER 2020 (CONTINUED)

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#### SUMMARY OF FINANCIAL ACTIVITIES FOR THE YEAR

The financial results of the year 2020 are set out in the accompanying financial statements. With regard to the company accounts, there was a positive movement for the year £467,992 (2019: £566,423) after revaluation gains/(losses) of £509,189 (2019: £397,909) taking the total net assets of the LBA, including restricted and endowment funds, to £13,495,476 (2019: £13,027,484).

With regard to the London Baptist Property Board, there was a positive movement of funds in the year, after revaluation adjustments, of £103,874 (2019: £69,751). The Consolidated Statement of Financial Activities consequently shows a positive movement of funds in the year of £571,867 (2019: £631,384).

#### *Reserves policy*

The Directors consider the reserves policy annually. It is their intention to maintain a reserve that at a minimum would fund three months operating costs and up to six months operating costs. As at 31 December 2020, the free reserves of LBA (being the company unrestricted fund net current assets and listed investments) were £849,564 (2019: £907,735). The residual free reserves are considered to be adequate in line with the agreed policy.

The principal source of regular general fund income in 2020 was a fixed sum grant from the Baptist Union and it is anticipated that such grants will be paid in future years. The directors expect that the financial position of BUGB will be constrained for some time and that grant funding will decrease, not increase, in future years, requiring the LBA to use its free reserves to pay some operating costs. The national formula for sharing the "family purse" is under active review but no changes are expected before 2022.

The directors will also need to fund any expenditure on new projects to enhance the LBA's work which go beyond core activities from reserves. The directors will continue to monitor the level of reserve held and to take decisions on expenditure which balance the needs of the present and the future.

#### *Remuneration of directors*

The Regional Minister Team leader, who has served as a director in 2020, is entitled to receive remuneration from the Association under the terms of the Memorandum of Association. (Details are to be found at note 18.) Otherwise, the directors did not receive any remuneration or benefit in kind from the Association or its subsidiary company the London Baptist Property Board Ltd.

#### *Investment policy*

An ethical investment policy is followed.

The general policy is to deposit day-to-day funds with the London Baptist Property Board Limited. For investments of a more permanent nature, the LBA investment managers are consulted. Regular review meetings are held with the fund manager. Both the General Fund Portfolio (a balanced portfolio to provide income and growth) and the Philpot Trust and Manse Trust Portfolios (managed principally to provide growth) performed reasonably well for the period against respective benchmarks. Additional investments in COIF specialist ethical charity funds were made during the year for John Bradford Trust and Valley Mission Fund. The charity has made such investments to generate a return and has made no social investments.

With regard to the LBPB, the directors of the LBPB take a cautious approach to investment, seeking both to safeguard the capital held on behalf of churches and to retain sufficient short-term funds to meet potential demands by depositors or borrowers. With regard to longer term investments, the company holds Charifund income units with the intention of providing both income and capital growth. Investments have also been made in property with the dual aim of assisting the LBA or particular churches and bringing longer-term capital growth for the company. The short-term deposits are currently spread across five financial institutions, with returns being kept under regular review.

## THE LONDON BAPTIST ASSOCIATION

### REPORT OF THE BOARD OF DIRECTORS FOR THE YEAR ENDED 31ST DECEMBER 2020 (CONTINUED)

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#### *Grant making policy*

During the year, grants of **£182,906 (2019: £300,677)** were made to beneficiaries in accordance with the terms of the fund from which the grant was made. Grants are awarded in response to written applications which are assessed by the Finance Committee. The Committee has regard to the sums requested, project viability and the amounts available for distribution. The directors have delegated powers to the Finance Committee to award grants with a value of up to £5,000; grants in excess of that amount are referred to the directors for a decision with a recommendation from the Finance Committee.

This figure includes grants made under the Mission Partnership Funding Scheme funded by the national Home Mission Appeal. A separately designated Committee receives vision statements and full applications from member churches and has delegated authority to award funding within an agreed annual budget. Successful applicants must demonstrate the missional nature of their application and can be awarded funding for up to three years, subject to annual review.

#### *Fundraising disclosure*

The Association does not directly get involved in fundraising activities with the general public but encourages all its member churches to contribute to the national Home Mission Appeal managed by the Baptist Union. Support is requested by occasional visiting preachers and by material available via the Baptist Union web site. All Association membership subscriptions from churches are transferred to this national Appeal. A proportion of this Appeal is then allocated to the Association in line with a nationally agreed formula in line with other Associations as core funding and mission funding.

No professional fundraisers or other third parties are engaged and no complaints about our practices have been received. Funds are not sought from outside our own membership.

#### *Risk Management*

The charity trustees acknowledge their responsibility for, and have given consideration to, the major risks to which the charity is exposed and satisfied themselves that systems or procedures are established in order to manage and control those risks. The main risks identified and managed are:

- Issues around safeguarding and child protection in our churches are of great importance and carry a high level of potential risk. To this end, the appointment of a new lead safeguarding officer has been made. Extensive training at Levels 2 & 3 is delivered to our ministers and other church leaders using the Baptist Union "Excellence in Safeguarding" material. Regular monitoring of levels of participation and effectiveness of this training takes place. Lines of reporting incidents of risk are clear and understood. Churches are offered clear guidance to write their own safeguarding policies.
- The business of the Association has financial reliance upon its member churches' contributions to the national Home Mission Appeal which is the main income source. As pressure grows on our declining church membership with an ageing demographic, there is a risk that such funding may reduce in coming years. The Appeal is actively promoted by the Association and currently this risk is mitigated by the level of reserves held.
- The Association and its related designated and restricted trust funds carry an investment risk on reserves held. These investments are professionally managed and regularly monitored by other advisers to mitigate the risk. The Association and LBPB have agreed a relatively cautious and ethical agreed investment policy.
- There is a reputational risk to the Association relating to any incidents in our member churches which may be outside our direct control. The enhanced Regional Team is now more actively and pre-emptively engaged in assisting and advising churches on governance, pastoral, safeguarding and other issues to reduce these risks. Suitable trustee/employee indemnity insurance is in place.
- The operational risk of loss of data, computer hacking, cybercrime heightens each year. New upgraded network systems are being implemented in tandem with our change of office location. After a tender process, a new support company has been appointed whom it is believed will improve the technical aspects of this area and reduce the risk of loss or non-compliance significantly.

## THE LONDON BAPTIST ASSOCIATION

### REPORT OF THE BOARD OF DIRECTORS FOR THE YEAR ENDED 31ST DECEMBER 2020 (CONTINUED)

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- Other less serious risks in the areas of governance, finance, operations, compliance and environmental have also been identified and suitable control measures in place, reviewed annually by the trustees.

#### **Statement of Directors' Responsibilities**

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standard (United Kingdom Generally Accepted Accounting Policies).

Company law requires the directors 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 the group and of incoming resources and application of resources, including the income and expenditure of the charitable group for the period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- 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 Association will continue in its activities.

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

The directors are responsible for the maintenance and integrity of the corporate and financial information for the company included on its web-site. Legislation in the United Kingdom governing the preparation and dissemination of financial information may differ from legislation in other jurisdictions.

#### **DISCLOSURE OF INFORMATION TO THE AUDITORS**

To the knowledge and belief of the directors, there is no relevant information that the company's auditors are not aware of, and the directors have taken all the steps necessary to ensure that the directors are aware of any relevant information, and to establish that the company's auditors are aware of this information.

The above report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

BY ORDER OF THE BOARD



Rev A. Afriyie  
Moderator  
Unit C2, 15, Dock Street,  
London  
E1 8JN

11 May 2021

## THE LONDON BAPTIST ASSOCIATION

### GENERAL INFORMATION

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#### Designated Funds

##### *Barnabas Fund*

This fund was created to enable gifts to be made to churches in particular need for any aspect of their work. It was renamed to signify its ministry of encouragement.

##### *Church Extension and Reconstruction Fund*

This fund was set up to help, by grant or interest-free loan, churches needing to carry out urgent building maintenance. Income is derived from grants from the London Baptist Property Board Limited.

##### *Legacy Reserve Fund*

Unrestricted legacies are placed into this fund and are used for purposes that the Board decides.

##### *Mission Partnership Funding*

This fund holds any unallocated balance of the annual budget received from BUGB for providing Mission Partnership Funding, as administered by the LBA Committee with responsibility for awarding this funding in line with their published criteria. This balance may be carried forward at year end and awarded to suitable applicants in future years.

##### *Thames Gateway Project*

This fund has received donations made by member churches in response to an appeal made in connection with plans to celebrate the third Christian millennium. The proceeds have been used to purchase a property in Britannia village, part of the newly developed Thames Gateway area. The property is used as a base for church planting.

##### *LBA Youth Fund*

This fund was established in response to a donation to the Association to be used for youth work in London. It is hoped that further gifts and grants will be received in future years. The money is available to the Youth Forum to assist in funding its initiatives.

#### Restricted Funds

##### *J W Beaumont Trust Fund (an endowment fund)*

This fund was established to comply with the wishes of the executors of the estate of the late solicitor to the LBA, J W Beaumont. The main purpose is to assist lay persons with Christian training expenses.

##### *John Bradford Trust*

This trust fund enables permanent loans to be made from the capital, with repayment and interest if the church closes or leaves the Association, and term interest-free loans to be made from income. There is also provision for grants to be made from the income for the support of ministry and those training for ministry and for other charitable work of the Association. To qualify a church must be within a London Borough.

##### *Compassionate Trust Fund*

This fund is financed by appeals to member churches to enable help to be given to ministers and their dependants in special need.

##### *Hounslow Baptist Church Reserve*

This fund was created upon the closure of Broadway Baptist Church, Hounslow in 1978. Loans and grants are made from the fund for the support of ministry (in its widest sense) in the Greater London area. The fund has been supplemented in 2007 by proceeds from the closure of Harmondsworth Baptist Church.

##### *Interest Assistance Fund*

This fund was established to help certain churches that have loans from the London Baptist Property Board Limited. The Board is obliged to charge interest on loans to all churches alike and this fund is to help churches urgently needing loans which would not otherwise be able to afford the interest. These restricted funds were granted from a legacy received specifically for this purpose but have now been utilised in full.

## THE LONDON BAPTIST ASSOCIATION

### GENERAL INFORMATION (continued)

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#### **Restricted Funds (continued)**

##### *Manse Trust Fund*

This fund was created in 1984 when the Manse of Nunhead Baptist Church was sold, the church having closed in 1965. Additional funds were added during 1992 in connection with the former Haydon Park church in Wimbledon. Loans have been made to churches to help with the purchase of their manses. These loans are repayable with capital appreciation relating to house values at the time of repayment.

##### *T W Philpot Trust*

This derives from the will of the late Thomas W A Philpot and was for making interest-free loans to churches which are erecting new chapels. Such loans will normally amount to no more than 25% of the cost unless the Board of Directors agrees otherwise. The initial capital sum became available in 1956 and a further legacy of properties and investments has since become available following the cessation of a life interest. In 2006, the Charity Commission gave permission for the funds to be used for wider purposes. Interest-free loans can now be made for the building of new churches, the purchase of new buildings by churches and the extension of church premises.

##### *Valley Mission Fund*

This fund derives from the sale of Valley Mission, Biggin Hill. Under the ultimate trust, the income from the invested proceeds is available for evangelistic work in West Kent as decided by the Board of Directors.

##### *Pension Fund*

The Directors set aside this fund from the sale of a closed church property to provide a contingency fund for any member churches who have insufficient assets to cover their liabilities to the Baptist Ministers' Pension Scheme after a "cessation event" has taken place. This is designed to prevent the individual trustees of those churches potentially being required to cover the church debt from personal funds. The award of assistance from this fund is assessed by the directors on a case-by-case basis according to need.

## THE LONDON BAPTIST ASSOCIATION

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE LONDON BAPTIST ASSOCIATION

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#### **Opinion**

We have audited the financial statements of The London Baptist Association (the 'parent charity') and its subsidiary (the 'group') for the year ended 31 December 2020 which comprise the consolidated Statement of Financial Activities, the consolidated and parent Balance Sheets, the consolidated Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and 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 group's and of the parent company's affairs as at 31 December 2020 and of the group's surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

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

#### **Conclusions relating to going concern**

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

#### **Opinions 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or

## THE LONDON BAPTIST ASSOCIATION

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE LONDON BAPTIST ASSOCIATION

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- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the directors 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 directors' report and from the requirement to prepare a strategic report.

#### Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors 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 directors 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 directors are responsible for assessing the group's and the parent 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 directors either intend to liquidate the group or the parent 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:

Based on our understanding of the company, we identified that the principal risks of non-compliance with laws and regulations related to employment and financial reporting legislation and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and the Charities Act 2011.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by making enquiries of management, considering the internal controls in place and discussion amongst the engagement team.

We determined that the principal risks were related to the valuation of freehold properties, the choice of discount rate for the pension scheme provision, the treatment of non cash transactions and the management override of controls. In response to the risks identified we designed procedures which included, but were not limited to:

- evaluating the charity's internal controls
- enquiring into the occurrence of non cash transactions
- challenging the valuations of freehold property
- comparing the pension discount rate to other information.

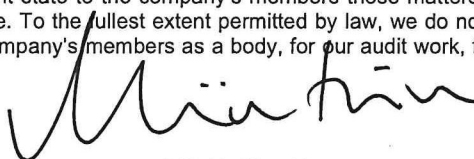
There are inherent limitations in the audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

#### Use of our report

This report is made solely to the 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 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Miriam Hickson FCA (Senior Statutory Auditor)**  
for and on behalf of Jacob Cavenagh & Skeet  
Statutory Auditor  
Chartered Accountants



5 Robin Hood Lane  
Sutton  
Surrey  
SM1 2SW

Dated: 25/05/2021

**THE LONDON BAPTIST ASSOCIATION**

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	Unrestricted Fund		Restricted Funds		Endowment Funds		2020		Unrestricted Fund		Restricted Funds		Endowment Funds		2019	
		£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
<b>Income from:</b>																	
Donations and legacies:																	
Baptist Union core funding		280,656	-	-	-	-	-	-	280,656	284,553	-	-	-	-	-	284,553	
Church contributions	9	114,992	460	-	-	-	-	115,452	375,687	375,687	-	-	-	-	-	375,687	
Grants		150,000	-	-	-	-	-	150,000	159,000	159,000	-	-	-	-	-	159,000	
Investments	13	151,007	-	-	68,455	-	-	219,462	183,124	183,124	74,034	-	-	-	-	257,158	
Charitable activities:																	
Loan interest		109,228	-	-	-	-	-	109,228	148,981	148,981	-	-	-	-	-	148,981	
Voluntary Income		6,250	-	-	-	-	-	6,250	14,349	14,349	-	-	-	-	-	14,349	
Preaching Income		4,630	-	-	-	-	-	4,630	7,013	7,013	-	-	-	-	-	7,013	
Other		13,329	-	-	-	-	-	13,329	80,894	80,894	-	-	-	-	-	80,894	
Other income:																	
Coronavirus Job Retention Scheme grant		18,008	-	-	-	-	-	18,008	-	-	-	-	-	-	-	-	
<b>Total income</b>		<b>848,100</b>	<b>68,915</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>917,015</b>	<b>1,253,601</b>	<b>1,253,601</b>	<b>74,034</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,327,635</b>	
<b>Expenditure on:</b>																	
Raising funds																	
Investment property management costs		28,544	22,720	-	-	-	-	51,264	14,153	14,153	23,210	-	-	-	-	37,363	
Charitable activities	10/11/12	815,952	89,354	-	-	-	-	905,306	1,115,993	1,115,993	12,985	-	-	-	-	1,128,978	
Support to churches		844,496	112,074	-	-	-	-	956,570	1,130,146	1,130,146	36,195	-	-	-	-	1,166,341	
<b>Total expenditure</b>		<b>1,688,992</b>	<b>204,148</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,883,146</b>	<b>2,260,289</b>	<b>2,260,289</b>	<b>72,400</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,205,702</b>	
Net gains on investments		198,818	262,604	-	-	-	-	461,422	101,329	101,329	368,761	-	-	-	-	470,090	
<b>Net income</b>		<b>202,422</b>	<b>219,445</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>421,867</b>	<b>224,784</b>	<b>224,784</b>	<b>406,600</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>631,384</b>	
Transfers between funds		(965)	965	-	-	-	-	-	(94,334)	(94,334)	64,334	-	-	-	-	-	
Gains on revaluation of fixed assets	2a	150,000	-	-	-	-	-	150,000	-	-	-	-	-	-	-	-	
<b>Net movement in funds</b>		<b>351,457</b>	<b>220,410</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>571,867</b>	<b>160,450</b>	<b>160,450</b>	<b>470,934</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>631,384</b>	
<b>Reconciliation of funds</b>																	
<b>Funds brought forward</b>		<b>9,849,452</b>	<b>5,376,375</b>	<b>3,087</b>	<b>15,228,914</b>	<b>9,689,002</b>	<b>4,905,441</b>	<b>3,087</b>	<b>14,597,530</b>	<b>14,597,530</b>	<b>3,087</b>	<b>14,597,530</b>	<b>3,087</b>	<b>14,597,530</b>	<b>3,087</b>	<b>14,597,530</b>	
<b>Total funds carried forward</b>		<b>10,200,909</b>	<b>5,596,785</b>	<b>3,087</b>	<b>15,800,781</b>	<b>9,849,452</b>	<b>5,376,375</b>	<b>3,087</b>	<b>15,228,914</b>	<b>15,228,914</b>	<b>5,376,375</b>	<b>3,087</b>	<b>15,228,914</b>	<b>3,087</b>	<b>15,228,914</b>	<b>3,087</b>	<b>15,228,914</b>


# THE LONDON BAPTIST ASSOCIATION

## CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2020

	Note	2020		2019	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible fixed assets	2a		5,893,910		5,753,151
Investments	3a		6,595,015		5,246,733
Concessionary loans to churches	4		1,570,923		1,460,719
			<u>14,059,848</u>		<u>12,460,603</u>
<b>CURRENT ASSETS</b>					
Debtors (including £2,412,066 (2019: £2,677,073) recoverable after more than one year)	5a	3,565,585		3,814,594	
Investments (Short term deposits)		7,079,977		12,077,526	
Cash held by stockbrokers		54,212		39,144	
Cash at bank		3,900,844		1,646,571	
		<u>14,600,618</u>		<u>17,577,835</u>	
<b>CREDITORS:</b>					
Amounts falling due within one year	6a	(12,752,308)		(14,637,667)	
<b>NET CURRENT ASSETS</b>					
			1,848,310		2,940,168
Total Assets less current liabilities			<u>15,908,158</u>		<u>15,400,771</u>
<b>PROVISIONS FOR LIABILITIES</b>	19		(107,377)		(171,857)
<b>NET ASSETS</b>	17		<u>15,800,781</u>		<u>15,228,914</u>
<b>ENDOWMENT FUNDS</b>					
	8		3,087		3,087
<b>RESTRICTED FUNDS</b>					
	8				
Realised funds		4,439,147		4,448,512	
Revaluation reserve	16	1,157,638		927,863	
			<u>5,596,785</u>		<u>5,376,375</u>
<b>UNRESTRICTED FUNDS</b>					
Realised funds – Other funds		8,439,590		8,449,106	
Revaluation reserve	16	1,761,319		1,400,346	
			<u>10,200,909</u>		<u>9,849,452</u>
			<u>15,800,781</u>		<u>15,228,914</u>

The financial statements were prepared in accordance with the special provisions of the Companies Act 2006 relating to small companies and were approved by the Board of Directors on 11 May 2021 and signed on their behalf:

**Moderator**



Rev A Afriyie

**Director**



Rev P Barnard

**THE LONDON BAPTIST ASSOCIATION**

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

	2020	2019
Note	£	£
<b>Cash (used)/provided by operating activities</b>	(i) (1,950,606)	520,425
<b>Cash flows from investing activities</b>		
Dividends, interest and rents from investments	219,462	257,158
Proceeds on sale of fixed assets	-	578,344
Purchase of fixed assets	-	( 64,382)
Proceeds on sale of investments	693,576	1,322,800
Purchase of investments	(1,580,436)	( 558,644)
Net advances of long term loans to churches	( 110,204)	( 373,488)
<b>Cash (used in)/provided by investing activities</b>	<u>( 777,602)</u>	<u>1,161,788</u>
<b>(Decrease)/increase in cash and cash equivalents in the year</b>	(2,728,208)	1,682,213
<b>Cash and cash equivalents as at 1 January</b>	<u>13,763,241</u>	<u>12,081,028</u>
<b>Cash and cash equivalents as at 31 December</b>	<u>11,035,033</u>	<u>13,763,241</u>
 <b>(i) Reconciliation of net income to cash (used in)/provided by operating activities</b>		
<b>Net income</b>	571,867	631,384
Depreciation charges	9,241	9,136
Dividends, interest and rents from investments	(219,462)	(257,158)
Gains on disposal of tangible fixed assets	-	(78,279)
Gains on tangible fixed assets	(150,000)	-
Gains on investment assets	(461,422)	(470,090)
Decrease in debtors	249,009	558,904
(Decrease)/increase in creditors	(1,949,839)	126,528
	<u>(1,950,606)</u>	<u>520,425</u>

**THE LONDON BAPTIST ASSOCIATION**

**COMPANY STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE ENDED 31 DECEMBER 2020**

	Note	Unrestricted Fund £	Restricted Funds £	Endowment Funds £	2020 £	Unrestricted Fund £	Restricted Funds £	Endowment Funds £	2019 £
<b>Income from:</b>									
Donations and legacies:									
Baptist Union core funding		280,656	-	-	280,656	284,553	-	-	284,553
Church contributions		114,992	460	-	115,452	375,687	-	-	375,687
Grants		230,000	-	-	230,000	229,000	-	-	229,000
Investments	13	48,007	69,420	-	117,427	39,951	77,763	-	117,714
Charitable activities:									
Preaching		4,630	-	-	4,630	7,013	-	-	7,013
Other		11,380	-	-	11,380	85,684	-	-	85,684
Other income									
Coronavirus Job Retention Scheme grant		18,008	-	-	18,008	-	-	-	-
<b>Total income</b>		<b>707,673</b>	<b>69,880</b>	<b>-</b>	<b>777,553</b>	<b>1,021,888</b>	<b>77,763</b>	<b>-</b>	<b>1,099,651</b>
<b>Expenditure on:</b>									
Raising funds									
Investment property management costs		6,588	22,720	-	29,308	-	23,210	-	23,210
Charitable activities	10/11/12								
Support to churches		700,088	89,354	-	789,442	894,942	12,985	-	907,927
<b>Total expenditure</b>		<b>706,676</b>	<b>112,074</b>	<b>-</b>	<b>818,750</b>	<b>894,942</b>	<b>36,195</b>	<b>-</b>	<b>931,137</b>
Net gains on investments		146,585	262,604	-	409,189	29,148	368,761	-	397,909
<b>Net income/(expenditure)</b>		<b>147,582</b>	<b>220,410</b>	<b>-</b>	<b>367,992</b>	<b>156,094</b>	<b>410,329</b>	<b>-</b>	<b>566,423</b>
Transfers between funds		-	-	-	-	(605)	605	-	-
Gains on revaluation of fixed assets	2b	100,000	-	-	100,000	-	-	-	-
<b>Net movement in funds</b>		<b>247,582</b>	<b>220,410</b>	<b>-</b>	<b>467,992</b>	<b>155,489</b>	<b>410,934</b>	<b>-</b>	<b>566,423</b>
<b>Reconciliation of funds</b>									
<b>Total funds brought forward</b>		<b>7,648,022</b>	<b>5,376,375</b>	<b>3,087</b>	<b>13,027,484</b>	<b>7,492,533</b>	<b>4,955,441</b>	<b>3,087</b>	<b>12,461,061</b>
<b>Total funds carried forward</b>		<b>7,895,604</b>	<b>5,596,785</b>	<b>3,087</b>	<b>13,495,476</b>	<b>7,648,022</b>	<b>5,376,375</b>	<b>3,087</b>	<b>13,027,484</b>

**THE LONDON BAPTIST ASSOCIATION**

COMPANY BALANCE SHEET  
AT 31 DECEMBER 2020

Company number: 04325272

	Note	2020		2019	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible fixed assets	2b		5,095,791		5,003,322
Investments	3b		5,914,367		5,493,318
Concessionary loans to churches	4		<u>1,570,923</u>		<u>1,460,719</u>
			12,581,081		11,957,359
<b>CURRENT ASSETS</b>					
Investments (Deposits with the London Baptist Property Board)		1,222,610		1,530,666	
Debtors	5b	475		8,413	
Cash held by stockbrokers		54,212		39,144	
Cash at bank and in hand		<u>10,160</u>		<u>32,540</u>	
		1,287,457		1,610,763	
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>					
Sundry creditors	6b	<u>(174,101)</u>		<u>(277,197)</u>	
<b>NET CURRENT ASSETS</b>					
			1,113,356		1,333,566
<b>Total Assets less current liabilities</b>					
			<u>13,694,437</u>		<u>13,290,925</u>
<b>CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR</b>					
Loans from the London Baptist Property Board Limited			(91,584)		(91,584)
<b>PROVISION FOR LIABILITIES</b>					
	19		<u>(107,377)</u>		<u>(171,857)</u>
<b>NET ASSETS</b>					
	7,8		<u>13,495,476</u>		<u>13,027,484</u>
<b>REPRESENTED BY FUNDS:</b>					
<b>ENDOWMENT FUNDS</b>					
	8		3,087		3,087
<b>RESTRICTED FUNDS</b>					
	8				
Realised funds		4,439,147		4,448,512	
Revaluation reserve	16	<u>1,157,638</u>		<u>927,863</u>	
			5,596,785		5,376,375
<b>UNRESTRICTED FUNDS</b>					
	7				
Realised funds – Other funds		7,281,666		7,292,824	
Revaluation reserve	16	<u>613,938</u>		<u>355,198</u>	
			7,895,604		7,648,022
			<u>13,495,476</u>		<u>13,027,484</u>

Approved by the Board of Directors 11 May 2021 and signed on their behalf:

Moderator



Rev A Afriyie

Director



Rev P Barnard

**THE LONDON BAPTIST ASSOCIATION**

**SUMMARY INCOME AND EXPENDITURE ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

	2020		2019	
	Group £	Company £	Group £	Company £
Income	697,553	660,126	1,070,477	981,937
Interest and investment income	219,462	117,427	257,158	117,714
Gains on investments	461,422	409,189	470,090	397,909
<b>Gross income in the reporting period</b>	<b>1,378,437</b>	<b>1,186,742</b>	<b>1,797,725</b>	<b>1,497,560</b>
Expenditure	947,329	811,219	1,157,205	923,417
Depreciation	9,241	7,531	9,136	7,720
<b>Total expenditure in the reporting period</b>	<b>956,570</b>	<b>818,750</b>	<b>1,166,341</b>	<b>931,137</b>
<b>Surplus for the year</b>	<b>421,867</b>	<b>367,992</b>	<b>631,384</b>	<b>566,423</b>

**STATEMENT OF COMPREHENSIVE INCOME**

	2020		2019	
	Group £	Company £	Group £	Company £
Surplus for the year	421,867	367,992	631,384	566,423
Gains on revaluation of fixed assets	150,000	100,000	-	-
<b>Comprehensive income for the year</b>	<b>571,867</b>	<b>467,992</b>	<b>631,384</b>	<b>566,423</b>

# THE LONDON BAPTIST ASSOCIATION

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020

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### 1 ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

#### 1.1 Accounting convention

The financial statements have been prepared under the Companies Act 2006, the Charities Act 2011 and in accordance with the Charities Statement of Recommended Practice (Charities SORP (FRS 102)) and Financial Reporting Standard 102 (FRS 102). The accounts are prepared under the historical cost convention (as modified by the revaluation of certain fixed assets), except as noted in 1.8 below.

The accounts include the results of the company's subsidiary, The London Baptist Property Board Limited. The results have been consolidated on a line by line basis.

The London Baptist Association meets the definition of a public benefit entity under FRS 102. The charity is a company limited by guarantee, incorporated in England and Wales.

#### 1.2 Unrestricted funds

Unrestricted funds comprise the General fund and Designated funds. Designated funds represent monies which have been allocated for specific purposes by the Association. All Unrestricted fund income is accounted for once the charity has entitlement to the income, it is probable the income will be received and the amount of income receivable can be reliably measured. Unrestricted fund expenditure is accrued as soon as a liability is considered probable, discounted to present value for longer term liabilities.

#### 1.3 Restricted funds

These are funds subject to specific conditions as to their use, which are binding on the Association. All Restricted fund income is accounted for at the time of receipt and expenditure accounted for when incurred. Income not expended in the year of receipt is carried forward until it is fully committed.

#### 1.4 Endowment funds

Endowment funds represent the permanent capital of certain restricted funds.

#### 1.5 Properties

Freehold and leasehold properties, whether shown as tangible fixed assets or investments, have been included at fair value. No depreciation has been charged on those properties held as tangible fixed assets on the basis that the residual value of the properties is so high as to render depreciation immaterial.

#### 1.6 Computers and equipment

This is shown at cost and depreciated over 3 years. Equipment with a cost of over £1,000 is capitalised.

#### 1.7 Pension schemes

The company contributes to defined benefit pension schemes. The assets of the schemes are held separately from those of the company and contributions are accounted for when due.

The company also makes contributions towards the deficit on the Baptist Pension Scheme and the Baptist Unions Staff Pension Scheme, under their deficit reduction schemes. A provision has been made for the total contributions due. This is detailed in Note 19.

#### 1.8 Investments

Quoted investments are stated at fair value. An unquoted investment is stated at a valuation of the Finance Committee. Unrealised gains or losses in the year are reported in the statement of financial activities. Investments in subsidiaries are shown at cost.

#### 1.9 Debtors

Trade debtors and other debtors are included at the settlement amount due. Prepayments are valued at the amount prepaid.

#### 1.10 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 opening of the deposit.

## THE LONDON BAPTIST ASSOCIATION

### NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020 (continued)

#### 1.11 Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation arising 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 recognised at their settlement amount.

#### 1.12 Financial instruments

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

#### 1.13 Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

#### 1.14 Income

Income, including grants, is recognised when the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

The Coronavirus Job Retention Scheme grant is recognised in the period to which the underlying furloughed staff costs relate.

#### 1.15 Expenditure

Expenditure is recognised as soon as an outflow of economic benefit is probable, settlement will be required and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis.

Grants and donations are accounted for when paid over, or when awarded, if that award creates a binding obligation on the charity.

#### 2a TANGIBLE FIXED ASSETS – GROUP

	Freehold Properties £	Leasehold Properties £	Computers and Equipment £	Total £
<b>Cost or valuation</b>				
1 January 2020	3,907,025	1,820,242	56,949	5,784,216
Additions	-	-	-	-
Disposals	-	-	-	-
Revaluation surplus	150,000	-	-	150,000
31 December 2020	4,057,025	1,820,242	56,949	5,934,216
<b>Depreciation</b>				
1 January 2020	-	-	31,065	31,065
Charge for the year	-	-	9,241	9,241
Released on disposal	-	-	-	-
31 December 2020	-	-	40,306	40,306
<b>Net Book Value</b>				
31 December 2020	4,057,025	1,820,242	16,643	5,893,910
31 December 2019	3,907,025	1,820,242	25,884	5,753,151
<b>Historical cost for land and buildings included at valuation:</b>				
31 December 2020	3,157,970	1,820,242		4,978,212
31 December 2019	3,157,970	1,820,242		4,978,212

The properties were last valued by the directors at 31st December 2020 on the basis of fair value. The valuations were made on the basis of information provided by Rapleys and Cartwright Hands, who are professional surveyors.

## THE LONDON BAPTIST ASSOCIATION

### NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020 (continued)

#### 2b TANGIBLE FIXED ASSETS – COMPANY

	Freehold Properties £	Leasehold Properties £	Computers and Equipment £	Total £
<b>Cost or valuation</b>				
1 January 2020	3,157,025	1,820,242	51,214	5,028,481
Additions	-	-	-	-
Disposals	-	-	-	-
Revaluation surplus/(deficit)	100,000	-	-	100,000
31 December 2020	<u>3,257,025</u>	<u>1,820,242</u>	<u>51,214</u>	<u>5,128,481</u>
<b>Depreciation</b>				
1 January 2020	-	-	25,159	25,159
Charge for the year	-	-	7,531	7,531
Released on disposal	-	-	-	-
31 December 2020	<u>-</u>	<u>-</u>	<u>32,690</u>	<u>32,690</u>
<b>Net Book Value</b>				
31 December 2020	<u>3,257,025</u>	<u>1,820,242</u>	<u>18,524</u>	<u>5,095,791</u>
31 December 2019	<u>3,157,025</u>	<u>1,820,242</u>	<u>26,055</u>	<u>5,003,322</u>
Historical cost for land and buildings included at valuation:				
31 December 2020	<u>2,853,296</u>	<u>1,820,242</u>		<u>4,673,538</u>
31 December 2019	<u>2,853,296</u>	<u>1,820,242</u>		<u>4,673,538</u>

#### 3a INVESTMENTS – GROUP

	Listed investments £	Other investments £	Freehold investment properties £	Total £
<b>Valuation</b>				
1 January 2020	2,952,762	228,345	2,065,626	5,246,733
Additions	705,436	-	875,000	1,580,436
Disposals	(721,388)	-	-	(721,388)
Revaluation surplus/(deficit)	110,977	(39,617)	417,874	489,234
31 December 2020	<u>3,047,787</u>	<u>188,728</u>	<u>3,358,500</u>	<u>6,595,015</u>
<b>Historical Cost</b>				
31 December 2020	<u>2,466,191</u>	<u>149,806</u>	<u>1,959,117</u>	<u>4,575,114</u>
31 December 2019	<u>2,433,657</u>	<u>149,806</u>	<u>1,084,117</u>	<u>3,667,580</u>

The properties were last valued by the directors at 31st December 2020 on the basis of fair value. The valuations were made on the basis of information provided, according to the locality of the properties, by: Rapleys and Cartwright Hands, who are professional surveyors.

All assets are held in the UK.

The listed investment portfolio comprises investments in British Government Stocks, UK quoted and unquoted equities and unit trust investments.

## THE LONDON BAPTIST ASSOCIATION

### NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020 (continued)

#### 3b INVESTMENTS – COMPANY

General Fund	Shares in LBPB	Listed investments	Freehold investment properties	Total
	£	£	£	£
Market value or valuation at 1 January 2020	1,379,330	284,690	600,856	2,264,876
Additions	-	66,383	-	66,383
Disposals	-	(69,542)	-	(69,542)
Revaluation surplus/(deficit)	-	2,140	149,804	151,944
Market value or valuation at 31 December 2020	1,379,330	283,671	750,660	2,413,661
Historical cost or probate value at 31 December 2020	1,379,330	251,494	572,630	2,203,454
31 December 2019	1,379,330	261,445	572,630	2,213,405

The company holds 100% of the 'A' shares in its subsidiary, The London Baptist Property Board Limited.

Restricted and Endowment Funds	Listed investments	Freehold investment properties	Total
	£	£	£
Market value or valuation at 1 January 2020	2,668,072	560,370	3,228,442
Additions	639,053	-	639,053
Disposals	(651,846)	-	(651,846)
Revaluation surplus/(deficit)	108,837	176,220	285,057
Market value or valuation on 31 December 2020	2,764,116	736,590	3,500,706
Historical cost or probate value at 31 December 2020	2,214,697	128,370	2,343,067
Historical cost or probate value at 31 December 2019	2,172,212	128,370	2,300,582

TOTAL	Shares in LBPB	Listed investments	Freehold investment properties	Total
	£	£	£	£
Market value or valuation at 1 January 2020	1,379,330	2,952,762	1,161,226	5,493,318
Additions	-	705,436	-	705,436
Disposals	-	(721,388)	-	(721,388)
Revaluation surplus/(deficit)	-	110,977	326,024	437,001
Market value or valuation at 31 December 2020	1,379,330	3,047,787	1,487,250	5,914,367
Historical cost or probate value at 31 December 2020	1,379,330	2,466,191	701,000	4,546,521
31 December 2019	1,379,330	2,433,657	701,000	4,513,988

## THE LONDON BAPTIST ASSOCIATION

### NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020 (continued)

#### 4 LOANS TO CHURCHES – GROUP AND COMPANY

	Designated Fund	Restricted and Endowment Funds	2020 Total	Designated Fund	Restricted and Endowment Funds	2019 Total
	£	£	£	£	£	£
Permanent loans	7,220	433,568	440,788	8,220	418,298	426,518
Fixed loans	12,000	1,118,135	1,130,135	12,000	1,022,201	1,034,201
	19,220	1,551,703	1,570,923	20,220	1,440,499	1,460,719

Permanent loans are repayable on closure, withdrawal or sale of the site and are in most cases interest-free. Fixed-term loans are interest-free. These loans are predominantly payable after more than one year.

The group has the following capital commitments at 31 December:

	2020	2019
	£	£
Loan facilities approved but not yet taken up	365,000	675,398

#### 5 a DEBTORS – GROUP

	2020	2019
	£	£
Advances (financial assets measured at amortised cost)	3,524,295	3,795,092
Prepayments and sundry debtors	41,290	8,413
Accrued income	-	11,089
	3,565,585	3,814,594

#### 5 b DEBTORS – COMPANY

	2020	2019
	£	£
Prepayments and sundry debtors	475	8,413
	475	8,413

#### 6 a CREDITORS – GROUP

	2020	2019
	£	£
Amounts falling due within one year		
7 day notice deposits and interest accrued	12,564,509	14,360,470
Sundry creditors and accruals	187,799	277,197
	12,752,308	14,637,667

#### 6 b CREDITORS – COMPANY

	2020	2019
	£	£
Amounts falling due within one year		
Sundry creditors and accruals	174,101	277,197
	174,101	277,197

THE LONDON BAPTIST ASSOCIATION

NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2020 (continued)

7 UNRESTRICTED FUNDS – COMPANY

	Legacy Reserve Fund £	Designated interest £	Designated Funds					Total Designated Funds £	General Fund £	Total Unrestricted Funds £
			Mission Partnership Fund £	Barnabas Fund £	Ch Extn Reconstrn Fund £	Thames Gateway Project £	Youth Mission £			
2020										
Balance at 1 January 2020	14,026	1,210	131,073	5,140	49,515	408,416	224	7,038,418	7,648,022	
Income	-	1	135,471	20	90	-	-	572,091	707,673	
Expenditure	-	(1,838)	(164,068)	(5,000)	-	-	(1,975)	(533,795)	(706,676)	
Net gains on investments	-	-	-	-	-	-	-	146,585	146,585	
Gains/(losses) on revaluation of fixed assets	-	-	-	-	-	100,000	-	-	100,000	
Transfers between funds	-	627	-	-	-	-	1,751	(2,378)	-	
Balance at 31 December 2020	14,026	-	102,476	160	49,605	508,416	-	7,220,921	7,895,604	
<b>REPRESENTED BY:</b>										
Tangible fixed assets	-	-	-	-	-	600,000	-	4,495,791	5,095,791	
Investment Property	-	-	-	-	-	-	-	750,660	750,660	
Investments	-	-	-	-	-	-	-	1,663,001	1,663,001	
Loans to churches	470	-	-	-	18,750	-	-	-	19,220	
	470	-	-	-	18,750	600,000	-	6,909,452	7,528,672	
<b>Current assets</b>										
Deposits with LBPB Limited	-	-	137,654	2,064	32,634	-	-	779,926	952,278	
Debtors	-	-	-	-	-	-	-	475	475	
Cash with stockbrokers	-	-	-	-	-	-	-	2,607	2,607	
Cash at bank and in hand	-	-	-	-	-	-	-	10,160	10,160	
	-	-	137,654	2,064	32,634	-	-	793,168	965,520	
<b>Current liabilities</b>										
Sundry creditors	-	-	-	-	-	-	-	(174,101)	(174,101)	
Balance with General Fund	13,556	-	(35,178)	(1,904)	(1,779)	-	-	(200,221)	(225,526)	
<b>Net current assets</b>	13,556	-	102,476	160	30,855	-	-	418,846	565,893	
<b>Long term liabilities</b>										
Loan from LBPB Limited	-	-	-	-	-	(91,584)	-	(91,584)	(91,584)	
Pension Deficit Provision	-	-	-	-	-	-	-	(107,377)	(107,377)	
	-	-	-	-	-	(91,584)	-	(107,377)	(198,961)	
<b>Net Assets</b>	14,026	-	102,476	160	49,605	508,416	-	7,220,921	7,895,604	

THE LONDON BAPTIST ASSOCIATION

NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2020 (continued)

7 UNRESTRICTED FUNDS – COMPANY (Continued)

	Legacy Reserve Fund £	Designated Funds							Total Designated Funds £	General Fund £	Total Unrestricted Funds £
		Designated interest £	Mission Partnership Fund £	Barnabas Fund £	Ch Extn Reconst n Fund £	Thames Gateway Project £	Youth Mission £	Total Designated Funds £			
2019											
Balance at 1 January 2019	14,026	-	163,443	5,084	49,268	408,416	224	640,461	6,852,072	7,492,533	
Income	-	7	155,322	56	247	-	-	155,632	866,256	1,021,888	
Expenditure	-	(1,297)	(187,692)	-	-	-	-	(188,989)	(705,953)	(894,942)	
Net gains on investments	-	-	-	-	-	-	-	-	29,148	29,148	
Transfers between funds	-	2,500	-	-	-	-	-	2,500	(3,105)	(605)	
Balance at 31 December 2019	14,026	1,210	131,073	5,140	49,515	408,416	224	609,604	7,038,418	7,648,022	
<b>REPRESENTED BY:</b>											
Tangible fixed assets	-	-	-	-	-	500,000	-	500,000	4,503,322	5,003,322	
Investment Property	-	-	-	-	-	-	-	-	600,856	600,856	
Investments	-	-	-	-	-	-	-	-	1,664,020	1,664,020	
Loans to churches	470	-	-	-	19,750	-	-	20,220	-	20,220	
	470	-	-	-	19,750	500,000	-	520,220	6,768,198	7,288,418	
<b>Current assets</b>											
Deposits with LBPB Limited	-	1,210	166,251	7,044	31,544	-	-	206,049	944,456	1,150,505	
Sundry debtors	-	-	-	-	-	-	-	-	8,413	8,413	
Cash with stockbrokers	-	-	-	-	-	-	-	-	7,467	7,467	
Cash at bank and in hand	-	-	-	-	-	-	-	-	32,540	32,540	
	-	1,210	166,251	7,044	31,544	-	-	206,049	992,876	1,198,925	
<b>Current liabilities</b>											
Sundry creditors	-	-	-	-	-	-	-	-	(268,271)	(268,271)	
Balance with General Fund	13,556	-	(35,178)	(1,904)	(1,779)	-	224	(25,081)	(282,528)	(307,609)	
<b>Net current assets</b>	13,556	1,210	131,073	5,140	29,765	-	224	180,968	442,077	623,045	
<b>Long term liabilities</b>											
Loan from LBPB Limited	-	-	-	-	-	(91,584)	-	(91,584)	-	(91,584)	
Pension Deficit Provision	-	-	-	-	-	-	-	-	(171,857)	(171,857)	
	-	-	-	-	-	(91,584)	-	(91,584)	(171,857)	(263,441)	
<b>Net Assets</b>	14,026	1,210	131,073	5,140	49,515	408,416	224	609,604	7,038,418	7,648,022	

THE LONDON BAPTIST ASSOCIATION

NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2020 (continued)

8 RESTRICTED AND ENDOWMENT FUNDS – COMPANY

2020	JW Beaumont Trust Fund £	John Bradford Trust £	Compass- ionate Trust Fund £	Hounslow BC Reserve £	Interest Assistance £	Manse Trust Fund £	Pension Fund £	TW Philpot Trust £	Valley Mission Fund £	TOTAL £
<b>RESTRICTED FUNDS</b>										
Balance at 1 January 2020	7,569	538,484	11,819	73,372	-	756,928	372,738	3,512,502	102,963	5,376,375
Total income	30	6,012	880	1,797	-	4,836	-	53,313	3,012	69,880
Total expenditure	-	(8,000)	(1,000)	-	-	(3,456)	(77,354)	(19,264)	(3,000)	(112,074)
Net gains/(losses) on investments	-	32,046	(1,729)	3,583	-	104,111	-	118,536	6,057	262,604
Transfers between funds	-	-	-	-	-	-	-	-	-	-
Balance at 31 December 2020	7,599	568,542	9,970	78,752	-	862,419	295,384	3,665,087	109,032	5,596,785
<b>REPRESENTED BY:</b>										
Investment properties	-	83,670	-	-	-	371,670	-	281,250	-	736,590
Investments	-	161,936	8,235	59,350	-	355,174	-	2,078,139	101,279	2,764,116
Loans to churches	-	242,775	-	12,015	-	299,895	-	997,018	-	1,551,703
<b>Current assets</b>										
Deposits with LBPB Limited	7,609	112,827	5,761	19,446	-	63,291	-	53,151	5,160	267,245
Sundry debtors	-	-	-	-	-	-	-	-	-	-
Cash held by stockbrokers	-	-	-	-	-	22,659	-	28,946	-	51,605
<b>Current liabilities</b>										
Sundry creditors	-	-	-	-	-	-	-	-	-	-
Due to General Fund	(10)	(32,666)	(4,026)	(12,059)	-	(250,270)	295,384	226,583	2,593	225,526
Pension creditor	-	-	-	-	-	-	-	-	-	-
<b>Net current assets</b>	7,599	80,161	1,735	7,387	-	(164,320)	295,384	308,680	7,753	544,376
<b>Net Assets</b>	7,599	568,542	9,970	78,752	-	862,419	295,384	3,665,087	109,032	5,596,785
<b>ENDOWMENT FUNDS</b>										
Deposits with LBPB Limited	3,087	-	-	-	-	-	-	-	-	3,087

A description of the nature and purpose of each fund and an explanation for the transfers is on pages 10 and 11 of the accounts.

THE LONDON BAPTIST ASSOCIATION

NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2020 (continued)

8 RESTRICTED AND ENDOWMENT FUNDS – COMPANY

2019	JW Beaumont Trust Fund £	John Bradford Trust £	Compass- ionate Trust Fund £	Hounslow BC Reserve £	Interest Assistance £	Manse Trust Fund £	Pension Fund £	TW Philpot Trust £	Valley Mission Fund £	TOTAL £
<b>RESTRICTED FUNDS</b>										
Balance at 1 January 2019	7,486	517,265	12,200	68,324	2,033	718,230	372,738	3,172,753	94,412	4,965,441
Total income	85	5,623	542	1,907	4	5,973	-	61,406	2,223	77,763
Total expenditure	(2)	-	(2,343)	(5,001)	(2,642)	(2,295)	-	(20,913)	(2,999)	(36,195)
Net gains/(losses) on investments	-	15,596	1,420	8,142	-	35,020	-	299,256	9,327	368,761
Transfers between funds	-	-	-	-	605	-	-	-	-	605
Balance at 31 December 2019	7,569	538,484	11,819	73,372	-	756,928	372,738	3,512,502	102,963	5,376,375
<b>REPRESENTED BY:</b>										
Investment properties	-	48,379	-	-	-	297,591	-	214,400	-	560,370
Investments	-	165,181	9,964	55,767	-	333,824	-	2,008,114	95,222	2,668,072
Loans to churches	-	234,278	-	-	-	311,307	-	894,914	-	1,440,499
<b>Current assets</b>	-	447,838	9,964	55,767	-	942,722	-	3,117,428	95,222	4,668,941
Deposits with LBPB Limited	7,579	92,110	5,578	29,664	-	51,725	-	180,398	10,020	377,074
Assets in the course of sale	-	-	-	-	-	-	-	-	-	-
Cash held by stockbrokers	-	-	-	-	-	12,726	-	18,951	-	31,677
<b>Current liabilities</b>	-	-	-	-	-	64,451	-	199,349	10,020	408,751
Sundry creditors	-	-	-	-	-	(885)	-	(5,041)	(3,000)	(8,926)
Due to General Fund	(10)	(1,464)	(3,723)	(12,059)	-	(249,360)	372,738	200,766	721	307,609
Pension creditor	-	-	-	-	-	-	-	-	-	-
<b>Net current assets</b>	7,569	90,646	1,855	17,605	-	(185,794)	372,738	395,074	7,741	707,434
<b>Net Assets</b>	7,569	538,484	11,819	73,372	-	756,928	372,738	3,512,502	102,963	5,376,375
<b>ENDOWMENT FUNDS</b>										
Deposits with LBPB Limited	3,087	-	-	-	-	-	-	-	-	3,087

**THE LONDON BAPTIST ASSOCIATION**

**NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2020 (continued)**

**9 CHURCH CONTRIBUTIONS – GROUP AND COMPANY**

	2020	2019
	£	£
Income from church closures	-	245,712
Other church contributions	115,452	129,975
	<u>115,452</u>	<u>375,687</u>

**10 GRANTS**

	2020				2019			
	No	Group £	No	Company £	No	Group £	No	Company £
<b>Grants in the period:</b>								
Churches re Buildings		-	2	1,838	-	-	2	2,642
Churches re support of ministry	-	-	-	-	-	-	-	-
Other grants to churches and organisations	25	180,068	25	180,068	20	195,692	20	195,692
Spurgeons College	-	-	-	-	1	100,000	-	100,000
		<u>180,068</u>		<u>181,906</u>		<u>295,692</u>		<u>298,334</u>
Individuals:	1	1,000	1	1,000	19	2,343	19	2,343
		<u>181,068</u>		<u>182,906</u>		<u>298,035</u>		<u>300,677</u>

Material grants included above:

E1 Community Church	9,040	10,500
London Spanish Speaking Church	10,238	11,375
Old Lodge Lane Baptist Church	10,750	11,000
Hebe Foundation	11,000	9,000
Kings Cross Baptist Church (Breathe)	11,000	11,000
Mill Hill East Baptist Church	11,000	8,000
Bonny Downs Baptist Church	11,375	11,375
Hersham Baptist Church	11,375	11,375
Third Space Ministries	11,375	11,375
London Network Church	11,725	3,908
The Kings Cross Baptist Church	12,500	15,000
London Arabic	<u>15,000</u>	<u>15,000</u>

## THE LONDON BAPTIST ASSOCIATION

### NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020 (continued)

#### 11 SUPPORT TO CHURCHES

	2020		2019	
	Group £	Company £	Group £	Company £
Employment costs:				
Salaries	271,245	238,430	253,415	209,451
National Insurance – employers	19,551	17,135	19,045	16,080
Pension contributions – employers	26,646	23,364	27,566	20,032
Defined benefit scheme movement	(50,894)	(50,894)	6,599	6,599
	<u>266,548</u>	<u>228,035</u>	<u>306,625</u>	<u>252,162</u>
Printing and stationery	1,865	1,865	3,207	3,207
Postage and telephone	11,557	10,081	9,367	8,298
Premises costs	67,342	76,683	95,326	77,841
Professional fees	70,091	39,779	62,496	36,525
Committee and conference expenses	6,739	6,661	16,152	16,152
Computer and office equipment	20,134	13,874	16,988	10,067
Travel expenses	11,534	11,519	13,130	13,130
Subscriptions and donations (note 12)	5,630	5,630	7,434	7,434
Bank charges	922	220	902	175
Depreciation	9,241	7,531	9,136	7,720
Loan interest	38,797	-	131,035	26,417
Contributions to BUGB Home Mission	111,460	111,460	128,877	128,877
Grants (note 10)	181,068	182,906	298,035	300,677
Closed Church Pension Debts	77,354	77,354	-	-
Sundry expenses	12,844	9,064	18,268	12,525
Governance costs – auditors remuneration	12,180	6,780	12,000	6,720
	<u>905,306</u>	<u>789,442</u>	<u>1,128,978</u>	<u>907,927</u>

The average number of employees during the year was 12 (2019:11). No employee earned £60,000 or more during the year.

#### 12 SUBSCRIPTIONS AND DONATIONS

	2020	2019
	£	£
Baptist Union of Great Britain	1,645	1,642
Evangelical Alliance	250	500
London Church Leaders' Secretary	1,000	2,900
Churches together in South London	2,735	2,392
Churches together in Essex and East London	-	-
	<u>5,630</u>	<u>7,434</u>

## THE LONDON BAPTIST ASSOCIATION

### NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020 (continued)

#### 13 INVESTMENT INCOME

	2020		2019	
	Group £	Company £	Group £	Company £
Rent from investment properties	53,567	41,199	58,995	29,511
Dividends	81,555	72,342	89,701	78,499
Interest on short term deposits	84,340	3,886	108,462	9,704
	<u>219,462</u>	<u>117,427</u>	<u>257,158</u>	<u>117,714</u>

#### 14 LIABILITIES FALLING DUE AFTER MORE THAN ONE YEAR

Repayment of the loans from the London Baptist Property Board Limited is only due on disposal of the relevant properties. Interest is payable at the current rate charged by the London Baptist Property Board Limited.

#### 15 MEMBERS

The company is limited by guarantee. The liability of the members is limited to £1 on the winding up of the company. The number of member churches at 31 December 2020 was 298.

#### 16 REVALUATION RESERVE

	Investment Properties £	Investments £	Freehold Properties £	Total £
<b>2020 GROUP</b>				
Balance at 1 January 2020	981,509	597,644	749,056	2,328,209
Unrealised gains on revaluations in the period	417,874	71,359	150,000	639,233
Realised gains on disposals	-	(48,485)	-	(48,485)
Balance at 31 December 2020	<u>1,399,383</u>	<u>620,518</u>	<u>899,056</u>	<u>2,918,957</u>
<b>2020 COMPANY</b>				
Balance at 1 January 2020	460,226	519,105	303,730	1,283,061
Unrealised gains on revaluations in the period	326,024	110,976	100,000	537,000
Realised losses on disposals	-	(48,485)	-	(48,485)
Balance at 31 December 2020	<u>786,250</u>	<u>581,596</u>	<u>403,730</u>	<u>1,771,576</u>

**THE LONDON BAPTIST ASSOCIATION**

**NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2020 (continued)**

**16 REVALUATION RESERVE (Continued)**

	<b>Investment Properties</b>	<b>Investments</b>	<b>Freehold Properties</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>2019 GROUP</b>				
Balance at 1 January 2019	1,688,519	280,163	960,139	2,928,821
Unrealised gains on revaluations in the period	-	349,505	-	349,505
Realised gains on disposals	(707,010)	(32,024)	(211,083)	(950,117)
Balance at 31 December 2019	981,509	597,644	749,056	2,328,209
	<b>Investment Properties</b>	<b>Investments</b>	<b>Freehold Properties</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>2019 COMPANY</b>				
Balance at 1 January 2019	613,726	234,164	514,813	1,362,703
Unrealised gains on revaluations in the period	-	316,964	-	316,964
Realised losses on disposals	(153,500)	(32,023)	(211,083)	(396,606)
Balance at 31 December 2019	460,226	519,105	303,730	1,283,061

**17 ANALYSIS OF NET ASSETS BETWEEN FUNDS – GROUP**

<b>2020</b>	<b>Tangible fixed assets</b>	<b>Investments</b>	<b>Loans to churches</b>	<b>Net current assets</b>	<b>Long Term Liabilities</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Endowment Funds</b>	-	-	-	3,087	-	3,087
<b>Restricted Funds</b> (per note 8)	-	3,500,706	1,551,703	544,376	-	5,596,785
<b>Unrestricted Funds</b>						
Designated Funds	600,000	-	19,220	106,719	-	725,939
General Fund	5,293,910	3,094,309	-	1,194,128	(107,377)	9,474,970
	5,893,910	6,595,015	1,570,923	1,848,310	(107,377)	15,800,781
<b>2019</b>	<b>Tangible fixed assets</b>	<b>Investments</b>	<b>Loans to churches</b>	<b>Net current assets</b>	<b>Long Term Liabilities</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Endowment Funds</b>	-	-	-	3,087	-	3,087
<b>Restricted Funds</b> (per note 8)	-	3,228,442	1,440,499	707,434	-	5,376,375
<b>Unrestricted Funds</b>						
Designated Funds	500,000	-	20,220	89,384	-	609,604
General Fund	5,253,151	2,018,291	-	2,140,263	(171,857)	9,239,848
	5,753,151	5,246,733	1,460,719	2,940,168	(171,857)	15,228,914

## THE LONDON BAPTIST ASSOCIATION

### NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020 (continued)

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#### 18 DIRECTORS AND RELATED PARTY TRANSACTIONS

1 director (2019: 3) was reimbursed travel expenses of £1,372 (2019: £2,924) during the period.

Revd P Barnard, a director, received emoluments of £39,477 (2019: £38,846) and pension contributions of £3,930 (2019: £3,930) as permitted by the Memorandum of Association.

Retirement benefits are accruing to 1 (2019: 1) director under money purchase and defined benefit schemes.

The total employee benefits of the key management personnel of the charity were £185,364 (2019: £173,651).

During the year the company made a grant of £nil (2019: £100,000) to Spurgeons College. Mr N Sherringham is a director of this company and of Spurgeons College.

#### 19 PENSIONS and PROVISIONS

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

For any month, each participating employer in the Scheme pays contributions as set out in the Schedule of Contributions in force at that time.

The Scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This is because it is not possible to attribute the Scheme's assets and liabilities to specific employers and means that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are contributions payable towards benefits and expenses accrued in that year, plus any impact of deficiency contributions (see below).

The Regional Ministers and staff are eligible to join the Scheme. 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 Aviva plc. Members of the Basic Section pay reduced contributions of 5% of Pensionable Income, and their employers also pay a total of 5%. The further 4% contribution rate is reduced to 3% for Employer contributions made to the Segregated DC Arrangement.

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.

##### **Actuarial valuation as at 31 December 2019**

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 market value of the DB Plan assets at the valuation date was £298 million.

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%). The Association and the other employers supporting the DB Plan are collectively responsible for funding this deficit.

## THE LONDON BAPTIST ASSOCIATION

### NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020 (continued)

#### 19 PENSIONS (continued)

The key assumptions underlying the valuation were as follows:

Type of financial assumption	% pa
RPI price inflation assumption	3.20
CPI price inflation assumption	2.70
Minimum Pensionable Income increases (RPI)	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	
- Main Scheme pension	2.70

▪ Post-retirement mortality in accordance with 80% of the S3NFA and S3NMA tables, with allowance for future improvements in mortality rates from 2013 in line with the CMI 2019 core projections, with a long term annual rate of improvement of 1.75% for males and 1.5% 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 is due to take place not later than as at 31 December 2022.

#### 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.

Under the current Recovery Plan dated 30 September 2020, deficiency contributions are payable until 30 June 2026. These contributions are broadly based on the employer's membership at 31 December 2014 and increase annually in line with increases to Minimum Pensionable Income as defined in the Rules. However, the Trustee and the Council agreed a 50% reduction for all deficiency contributions payable between 1 July 2020 and 31 December 2020.

#### Movement in Balance Sheet liability

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.

	2020 £	2019 £
Brought forward	171,857	182,981
Deficiency contributions paid in year	(13,586)	(17,723)
Interest cost (recognised in SoFA)	2,806	4,180
Remaining change to balance sheet liability* (recognised in SoFA)	(53,700)	2,419
Carried forward	<u>107,377</u>	<u>171,857</u>

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

This liability represents the present value of the deficit contributions agreed as at the accounting date and has been valued using the following assumptions set by reference to the duration of the deficit recovery payments:

Accounting date	31 December 2020	31 December 2019	31 December 2018
Discount rate	0.4%	1.7%	2.4%
Future increases to Minimum Pensionable Income	3.0%	3.2%	3.3%

## THE LONDON BAPTIST ASSOCIATION

### NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020 (continued)

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#### 20 INVESTMENTS IN SUBSIDIARIES

The London Baptist Association holds all of the 411 'A' voting shares in the London Baptist Property Board Ltd and 683 non-voting 'B' shares. The London Baptist Property Board Ltd serves the work of the Association by acting as holding trustee for the majority of the churches in membership with the Association and by offering a facility for deposit and loan fund accounts. The LBPB is a company, number 88218 and a registered charity number 249768.

Shareholder funds in the London Baptist Property Board Ltd at 31 December 2020 were £3,677,784 (2019: £3,573,910).

A summary of income and expenditure is as follows:

	2020	2019
	£	£
Income	258,674	321,381
Expenditure	(257,033)	(323,811)
Net income/(expenditure) before revaluations	1,641	(2,430)
Gains/(losses) on revaluations and disposals of fixed and investment assets	102,233	72,181
Net movement in funds	103,874	69,751

The subsidiary has been included in the consolidated accounts.