



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

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
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
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

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.

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REPORT OF THE BOARD OF DIRECTORS FOR THE YEAR ENDED 31ST DECEMBER 2020 (CONTINUED)

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.

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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 become 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) 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

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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.

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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.

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REPORT OF THE BOARD OF DIRECTORS FOR THE YEAR ENDED 31ST DECEMBER 2020 (CONTINUED)

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.

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REPORT OF THE BOARD OF DIRECTORS FOR THE YEAR ENDED 31ST DECEMBER 2020 (CONTINUED)

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.

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REPORT OF THE BOARD OF DIRECTORS FOR THE YEAR ENDED 31ST DECEMBER 2020 (CONTINUED)

- 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

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GENERAL INFORMATION

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.

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GENERAL INFORMATION (continued)

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

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

- 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.

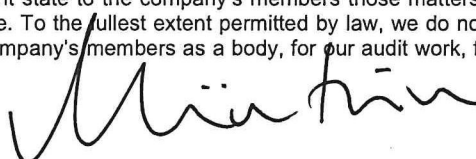
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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

Dated: 25/05/2021



5 Robin Hood Lane
Sutton
Surrey
SM1 2SW

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
		£	£	£	£	£	£	£	£
Income from:									
Donations and legacies:									
Baptist Union core funding	9	280,656	-	-	280,656	284,553	-	-	284,553
Church contributions		114,992	460	-	115,452	375,687	-	-	375,687
Grants		150,000	-	-	150,000	159,000	-	-	159,000
Investments	13	151,007	68,455	-	219,462	183,124	74,034	-	257,158
Charitable activities:									
Loan interest		109,228	-	-	109,228	148,981	-	-	148,981
Voluntary Income		6,250	-	-	6,250	14,349	-	-	14,349
Preaching Income		4,630	-	-	4,630	7,013	-	-	7,013
Other		13,329	-	-	13,329	80,894	-	-	80,894
Other income:									
Coronavirus Job Retention Scheme grant		18,008	-	-	18,008	-	-	-	-
Total income		848,100	68,915	-	917,015	1,253,601	74,034	-	1,327,635
Expenditure on:									
Raising funds									
Investment property management costs		28,544	22,720	-	51,264	14,153	23,210	-	37,363
Charitable activities	10/11/12								
Support to churches		815,952	89,354	-	905,306	1,115,993	12,985	-	1,128,978
Total expenditure		844,496	112,074	-	956,570	1,130,146	36,195	-	1,166,341
Net gains on investments		198,818	262,604	-	461,422	101,329	368,761	-	470,090
Net income		202,422	219,445	-	421,867	224,784	406,600	-	631,384
Transfers between funds		(965)	965	-	-	(64,334)	64,334	-	-
Gains on revaluation of fixed assets	2a	150,000	-	-	150,000	-	-	-	-
Net movement in funds		351,457	220,410	-	571,867	160,450	470,934	-	631,384
Reconciliation of funds									
Funds brought forward		9,849,452	5,376,375	3,087	15,228,914	9,689,002	4,905,441	3,087	14,597,530
Total funds carried forward		10,200,909	5,596,785	3,087	15,800,781	9,849,452	5,376,375	3,087	15,228,914

THE LONDON BAPTIST ASSOCIATION

CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2020

	Note	2020		2019	
		£	£	£	£
FIXED ASSETS					
Tangible fixed assets	2a		5,893,910		5,753,151
Investments	3a		6,595,015		5,246,733
Concessionary loans to churches	4		<u>1,570,923</u>		<u>1,460,719</u>
			14,059,848		12,460,603
CURRENT ASSETS					
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		<u>3,900,844</u>		<u>1,646,571</u>	
		14,600,618		17,577,835	
CREDITORS:					
Amounts falling due within one year	6a	<u>(12,752,308)</u>		<u>(14,637,667)</u>	
NET CURRENT ASSETS			1,848,310		2,940,168
Total Assets less current liabilities			<u>15,908,158</u>		<u>15,400,771</u>
PROVISIONS FOR LIABILITIES	19		<u>(107,377)</u>		<u>(171,857)</u>
NET ASSETS	17		<u>15,800,781</u>		<u>15,228,914</u>
ENDOWMENT FUNDS	8		3,087		3,087
RESTRICTED FUNDS	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
UNRESTRICTED FUNDS					
Realised funds – Other funds		8,439,590		8,449,106	
Revaluation reserve	16	<u>1,761,319</u>		<u>1,400,346</u>	
			10,200,909		9,849,452
			<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	£	£
Cash (used)/provided by operating activities	(i)	(1,950,606)	520,425
Cash flows from investing activities			
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)
Cash (used in)/provided by investing activities		<u>(777,602)</u>	<u>1,161,788</u>
(Decrease)/increase in cash and cash equivalents in the year		(2,728,208)	1,682,213
Cash and cash equivalents as at 1 January		<u>13,763,241</u>	<u>12,081,028</u>
Cash and cash equivalents as at 31 December		<u>11,035,033</u>	<u>13,763,241</u>
(i) Reconciliation of net income to cash (used in)/provided by operating activities			
Net income		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		<u>(1,949,839)</u>	<u>126,528</u>
		<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 £
Income from:									
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	-	-	-	-
Total income		707,673	69,880	-	777,553	1,021,888	77,763	-	1,099,651
Expenditure on:									
Raising funds									
Investment property management costs		6,588	22,720	-	29,308	-	23,210	-	23,210
Charitable activities									
Support to churches	10/11/12	700,088	89,354	-	789,442	894,942	12,985	-	907,927
Total expenditure		706,676	112,074	-	818,750	894,942	36,195	-	931,137
Net gains on investments		146,585	262,604	-	409,189	29,148	368,761	-	397,909
Net income/(expenditure)		147,582	220,410	-	367,992	156,094	410,329	-	566,423
Transfers between funds		-	-	-	-	(605)	605	-	-
Gains on revaluation of fixed assets	2b	100,000	-	-	100,000	-	-	-	-
Net movement in funds		247,582	220,410	-	467,992	155,489	410,934	-	566,423
Reconciliation of funds									
Total funds brought forward		7,648,022	5,376,375	3,087	13,027,484	7,492,533	4,955,441	3,087	12,461,061
Total funds carried forward		7,895,604	5,596,785	3,087	13,495,476	7,648,022	5,376,375	3,087	13,027,484

THE LONDON BAPTIST ASSOCIATION

COMPANY BALANCE SHEET
AT 31 DECEMBER 2020

Company number: 04325272

	Note	2020		2019	
		£	£	£	£
FIXED ASSETS					
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
CURRENT ASSETS					
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	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR					
Sundry creditors	6b	<u>(174,101)</u>		<u>(277,197)</u>	
NET CURRENT ASSETS					
			1,113,356		1,333,566
Total Assets less current liabilities			<u>13,694,437</u>		<u>13,290,925</u>
CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR					
Loans from the London Baptist Property Board Limited			(91,584)		(91,584)
PROVISION FOR LIABILITIES					
	19		<u>(107,377)</u>		<u>(171,857)</u>
NET ASSETS					
	7,8		<u>13,495,476</u>		<u>13,027,484</u>
REPRESENTED BY FUNDS:					
ENDOWMENT FUNDS					
	8		3,087		3,087
RESTRICTED FUNDS					
	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
UNRESTRICTED FUNDS					
	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
Gross income in the reporting period	1,378,437	1,186,742	1,797,725	1,497,560
Expenditure	947,329	811,219	1,157,205	923,417
Depreciation	9,241	7,531	9,136	7,720
Total expenditure in the reporting period	956,570	818,750	1,166,341	931,137
Surplus for the year	421,867	367,992	631,384	566,423

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	-	-
Comprehensive income for the year	571,867	467,992	631,384	566,423

THE LONDON BAPTIST ASSOCIATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020

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 £
Cost or valuation				
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
Depreciation				
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
Net Book Value				
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
Historical cost for land and buildings included at valuation:				
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 £
Cost or valuation				
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	3,257,025	1,820,242	51,214	5,128,481
Depreciation				
1 January 2020	-	-	25,159	25,159
Charge for the year	-	-	7,531	7,531
Released on disposal	-	-	-	-
31 December 2020	-	-	32,690	32,690
Net Book Value				
31 December 2020	3,257,025	1,820,242	18,524	5,095,791
31 December 2019	3,157,025	1,820,242	26,055	5,003,322
Historical cost for land and buildings included at valuation:				
31 December 2020	2,853,296	1,820,242		4,673,538
31 December 2019	2,853,296	1,820,242		4,673,538

3a INVESTMENTS – GROUP

	Listed investments £	Other investments £	Freehold investment properties £	Total £
Valuation				
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	3,047,787	188,728	3,358,500	6,595,015
Historical Cost				
31 December 2020	2,466,191	149,806	1,959,117	4,575,114
31 December 2019	2,433,657	149,806	1,084,117	3,667,580

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 £	Mission Partnership Fund £	Barnabas Fund £	Ch Extn Reconstrn Fund £	Thames Gateway Project £	Youth Mission £	Total Designated Funds £	General Fund £	Total Unrestricted Funds £
2020										
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/(losses) 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
REPRESENTED BY:										
Tangible fixed assets	-	-	-	-	-	600,000	-	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	-	19,220
	470	-	-	-	18,750	600,000	-	619,220	6,909,452	7,528,672
Current assets										
Deposits with LBPB Limited	-	-	137,654	2,064	32,634	-	-	172,352	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	-	-	172,352	793,168	965,520
Current liabilities										
Sundry creditors	-	-	-	-	-	-	-	-	(174,101)	(174,101)
Balance with General Fund	13,556	-	(35,178)	(1,904)	(1,779)	-	-	(25,305)	(200,221)	(225,526)
Net current assets	13,556	-	102,476	160	30,855	-	-	147,047	418,846	565,893
Long term liabilities										
Loan from LBPB Limited	-	-	-	-	-	(91,584)	-	(91,584)	-	(91,584)
Pension Deficit Provision	-	-	-	-	-	-	-	-	(107,377)	(107,377)
	-	-	-	-	-	(91,584)	-	(91,584)	(107,377)	(198,961)
Net Assets	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 2020 (continued)

7 UNRESTRICTED FUNDS – COMPANY (Continued)

	Legacy Reserve Fund £	Designated Interest £	Designated Funds					Total Designated Funds £	General Fund £	Total Unrestricted Funds £
			Mission Partnership Fund £	Barnabas Fund £	Ch Extn Reconst n Fund £	Thames Gateway Project £	Youth Mission £			
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
REPRESENTED BY:										
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
Current assets										
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
Current liabilities										
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)
Net current assets	13,556	1,210	131,073	5,140	29,765	-	224	180,968	442,077	623,045
Long term liabilities										
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)
Net Assets	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 £
RESTRICTED FUNDS										
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
REPRESENTED BY:										
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
Current assets										
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
Current liabilities										
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	-	-	-	-	-	-	-	-	-	-
Net current assets	7,599	80,161	1,735	7,387	-	(164,320)	295,384	308,680	7,753	544,376
Net Assets	7,599	568,542	9,970	78,752	-	862,419	295,384	3,665,087	109,032	5,596,785
ENDOWMENT FUNDS										
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 £
RESTRICTED FUNDS										
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
REPRESENTED BY:										
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
	-	447,838	9,964	55,767	-	942,722	-	3,117,428	95,222	4,668,941
Current assets										
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
	7,579	92,110	5,578	29,664	-	64,451	-	199,349	10,020	408,751
Current liabilities										
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	-	-	-	-	-	-	-	-	-	-
Net current assets	7,569	90,646	1,855	17,605	-	(185,794)	372,738	395,074	7,741	707,434
Net Assets	7,569	538,484	11,819	73,372	-	756,928	372,738	3,512,502	102,963	5,376,375
ENDOWMENT FUNDS										
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 £
Grants in the period:								
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
	266,548	228,035	306,625	252,162
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
	905,306	789,442	1,128,978	907,927

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	-	-
	5,630	7,434

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 £
2020 GROUP				
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>
2020 COMPANY				
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)

	Investment Properties £	Investments £	Freehold Properties £	Total £
2019 GROUP				
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
	Investment Properties £	Investments £	Freehold Properties £	Total £
2019 COMPANY				
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

2020	Tangible fixed assets £	Investments £	Loans to churches £	Net current assets £	Long Term Liabilities £	Total £
Endowment Funds	-	-	-	3,087	-	3,087
Restricted Funds (per note 8)	-	3,500,706	1,551,703	544,376	-	5,596,785
Unrestricted Funds						
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
	Tangible fixed assets £	Investments £	Loans to churches £	Net current assets £	Long Term Liabilities £	Total £
2019						
Endowment Funds	-	-	-	3,087	-	3,087
Restricted Funds (per note 8)	-	3,228,442	1,440,499	707,434	-	5,376,375
Unrestricted Funds						
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)

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	107,377	171,857

* 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)

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.