



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

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
3rd 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

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)

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 31st 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)

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 26th 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 3rd March 2021 – and then a 'second' AGM for the current year on 24th 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.

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

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 20th 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 policies, 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)

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)

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)

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.

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)

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

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

**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**

Dated:

5 Robin Hood Lane
Sutton
Surrey
SM1 2SW

THE LONDON BAPTIST ASSOCIATION

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	Unrestricted Fund £	Restricted Funds £	Endow ment Funds £	2021 £	Unrestricted Fund £	Restricted Funds £	Endow ment Funds £	2020 £
Income from:									
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
Total income		1,046,858	81,875	-	1,128,733	848,100	68,915	-	917,015
Expenditure on:									
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
Total expenditure		830,756	49,865	-	880,621	844,496	112,074	-	956,570
Net gains on investments		175,561	283,591	-	459,152	198,818	262,604	-	461,422
Net income		391,663	315,601	-	707,264	202,422	219,445	-	421,867
Transfers between funds		302,958	(302,958)	-	-	(965)	965	-	-
Gains on revaluation of fixed assets	2a	85,463	-	-	85,463	150,000	-	-	150,000
Net movement in funds		780,084	12,643	-	792,727	351,457	220,410	-	571,867
Reconciliation of funds									
Funds brought forward		10,200,909	5,596,785	3,087	15,800,781	9,849,452	5,376,375	3,087	15,228,914
Total funds carried forward		10,980,993	5,609,428	3,087	16,593,508	10,200,909	5,596,785	3,087	15,800,781

THE LONDON BAPTIST ASSOCIATION

CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2021

	Note	2021		2020	
		£	£	£	£
FIXED ASSETS					
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
CURRENT ASSETS					
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	
CREDITORS:					
Amounts falling due within one year	6a	<u>(11,955,479)</u>		<u>(12,752,308)</u>	
NET CURRENT ASSETS			1,570,053		1,848,310
Total Assets less current liabilities			<u>16,679,909</u>		<u>15,908,158</u>
PROVISIONS FOR LIABILITIES	19		<u>(86,401)</u>		<u>(107,377)</u>
NET ASSETS	17		<u>16,593,508</u>		<u>15,800,781</u>
ENDOWMENT FUNDS	8		3,087		3,087
RESTRICTED FUNDS	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
UNRESTRICTED FUNDS					
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
	Note	£	£
Cash used in operating activities	(i)	(902,556)	(1,950,606)
Cash flows from investing activities			
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)
Cash used in investing activities		<u>(331,672)</u>	<u>(777,602)</u>
Decrease in cash and cash equivalents in the year		(1,234,228)	(2,728,208)
Cash and cash equivalents as at 1 January		<u>11,035,033</u>	<u>13,763,241</u>
Cash and cash equivalents as at 31 December		<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			
Net income		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		<u>(817,805)</u>	<u>(1,949,839)</u>
		<u><u>(902,556)</u></u>	<u><u>(1,950,606)</u></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 £
Income from:									
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
Total income		943,895	82,301	-	1,026,196	707,673	69,880	-	777,553
Expenditure on:									
Raising funds									
Investment property management costs	10/11/12	8,278	22,837	-	31,115	6,588	22,720	-	29,308
Charitable activities									
Support to churches		704,577	27,028	-	731,605	700,088	89,354	-	789,442
Total expenditure		712,855	49,865	-	762,720	706,676	112,074	-	818,750
Net gains on investments		59,562	283,591	-	343,153	146,585	262,604	-	409,189
Net income		290,602	316,027	-	606,629	147,582	220,410	-	367,992
Transfers between funds		303,384	(303,384)	-	-	-	-	-	-
Gains on revaluation of fixed assets	2b	40,463	-	-	40,463	100,000	-	-	100,000
Net movement in funds		634,449	12,643	-	647,092	247,582	220,410	-	467,992
Reconciliation of funds									
Total funds brought forward		7,895,604	5,596,785	3,087	13,495,476	7,648,022	5,376,375	3,087	13,027,484
Total funds carried forward		8,530,053	5,609,428	3,087	14,142,568	7,895,604	5,596,785	3,087	13,495,476

THE LONDON BAPTIST ASSOCIATION

COMPANY BALANCE SHEET
AT 31 DECEMBER 2021

Company number: 04325272

	Note	2021		2020	
		£	£	£	£
FIXED ASSETS					
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
CURRENT ASSETS					
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	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR					
Sundry creditors	6b	<u>(197,015)</u>		<u>(174,101)</u>	
NET CURRENT ASSETS					
			848,945		1,113,356
Total Assets less current liabilities			<u>14,320,553</u>		<u>13,694,437</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>(86,401)</u>		<u>(107,377)</u>
NET ASSETS	17		<u>14,142,568</u>		<u>13,495,476</u>
REPRESENTED BY FUNDS:					
ENDOWMENT FUNDS	8		3,087		3,087
RESTRICTED FUNDS	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
UNRESTRICTED FUNDS	7				
Realised funds – Other funds		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
Gross income in the reporting period	1,587,885	1,369,349	1,378,437	1,186,742
Expenditure	869,719	753,336	947,329	811,219
Depreciation	10,902	9,384	9,241	7,531
Total expenditure in the reporting period	880,621	762,720	956,570	818,750
Surplus for the year	707,264	606,629	421,867	367,992

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	792,727	647,092	571,867	467,992

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 £
Cost or valuation				
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
Depreciation				
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
Net Book Value				
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
Historical cost for land and buildings included at valuation:				
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 £
Cost or valuation				
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	3,297,488	1,820,242	34,601	5,152,331
Depreciation				
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	-	-	25,461	25,461
Net Book Value				
31 December 2021	3,297,488	1,820,242	9,140	5,126,870
31 December 2020	3,257,025	1,820,242	18,524	5,095,791

Historical cost for land and buildings included at valuation:

31 December 2021	2,853,296	1,820,242	4,673,538
31 December 2020	2,853,296	1,820,242	4,673,538

3a INVESTMENTS – GROUP

	Listed investments £	Other investments £	Freehold investment properties £	Total £
Valuation				
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	2,876,298	213,977	3,450,290	6,540,565
Historical Cost				
31 December 2021	2,312,649	149,806	1,388,792	3,851,247
31 December 2020	2,466,191	149,806	1,388,792	4,004,789

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

General Fund	Shares in LBPB	Listed investments	Freehold investment properties	Total
	£	£	£	£
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	1,379,330	976,840	788,190	3,144,360
Historical cost or probate value at 31 December 2021	1,379,330	834,950	572,630	2,786,910
31 December 2020	1,379,330	251,494	572,630	2,203,454

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 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	1,899,458	775,100	2,674,558
Historical cost or probate value at 31 December 2021	1,477,699	128,370	1,606,069
Historical cost or probate value at 31 December 2020	2,214,697	128,370	2,343,067

TOTAL	Shares in LBPB	Listed investments	Freehold investment properties	Total
	£	£	£	£
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	1,379,330	2,876,298	1,563,290	5,818,918
Historical cost or probate value at 31 December 2021	1,379,330	2,312,649	701,000	4,392,979
31 December 2020	1,379,330	2,433,658	701,000	4,513,988

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
	22,760	2,503,060	2,525,820	19,220	1,551,703	1,570,923

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	656,500	760,398

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	-
	3,724,727	3,565,585

5 b DEBTORS – COMPANY

	2021 £	2020 £
Prepayments and sundry debtors	3,998	475
Accrued income	919	-
	4,917	475

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

6 b CREDITORS – COMPANY

	2021 £	2020 £
Amounts falling due within one year	197,015	174,101
Sundry creditors and accruals	197,015	174,101

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 £			
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
<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 £			
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 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

2021	JW Beaumont Trust Fund £	John Bradford Trust £	Compass- ionate Trust Fund £	Hounslow BC Reserve £	Jamaica Appeal £	Manse Trust Fund £	Pension Fund £	TW Philpot Trust £	Valley Mission Fund £	TOTAL £
RESTRICTED FUNDS										
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
ENDOWMENT FUNDS										
Deposits with LBPB Limited	3,087	-	-	-	-	-	-	-	-	3,087
2020										
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
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 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 £
Grants in the period:								
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
	£	£	£	£
2021 GROUP				
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>
2021 COMPANY				
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 £
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	1,399,383	620,518	899,056	2,918,957
	Investment Properties £	Investments £	Freehold Properties £	Total £
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	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 £
Endowment Funds	-	-	-	3,087	-	3,087
Restricted Funds (per note 8)	-	2,674,558	2,503,060	431,810	-	5,609,428
Unrestricted Funds						
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
2021 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 8)	-	2,674,558	2,503,060	431,810	-	5,609,428
Unrestricted Funds						
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)

2020 GROUP	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

2020 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 8)	-	3,500,706	1,551,703	544,376	-	5,596,785
Unrestricted Funds						
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
	5,095,791	5,914,367	1,570,923	1,113,356	(198,961)	13,495,476

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)

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:

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.

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2021 (continued)

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.