



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

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

Charity Registration No: 1091160

Company Number: 04325272

THE LONDON BAPTIST ASSOCIATION

COMPANY INFORMATION

DIRECTORS

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

OFFICERS

Moderator
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 2022

The Board of Directors has pleasure in reporting on the Financial Statements for the year ended 31 December 2022, which have been prepared in accordance with the Companies Act 2006, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102)".

GOVERNANCE AND MANAGEMENT

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

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

PRINCIPAL ACTIVITIES AND OBJECTS

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

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

THE ASSOCIATION'S ACTIVITIES AND PUBLIC BENEFIT

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

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

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

THE LONDON BAPTIST ASSOCIATION

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

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

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

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

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

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

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

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

THE LONDON BAPTIST ASSOCIATION

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

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

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

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

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

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

LBA Board

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

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

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

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

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

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

Other significant events

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

Pensions

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

Future vision

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

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

THE LONDON BAPTIST ASSOCIATION

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

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

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

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

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

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

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

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

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

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

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

PLANS FOR THE FUTURE

Stepping out in confidence

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

Issues in Human Sexuality

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

How to be a Christian in a Post-Christian Age

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

Finance & Strategy

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

SUMMARY OF FINANCIAL ACTIVITIES FOR THE YEAR

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

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

Reserves policy

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

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

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

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

Remuneration of directors

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

Investment policy

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

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

Grant making policy

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

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

Fundraising disclosure

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

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

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

Risk Management

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

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

THE LONDON BAPTIST ASSOCIATION

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

Statement of Directors' Responsibilities

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

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

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

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

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

DISCLOSURE OF INFORMATION TO THE AUDITORS

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

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

BY ORDER OF THE BOARD

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

9 May 2023

Designated Funds

Barnabas Fund

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

Church Extension and Reconstruction Fund

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

Legacy Reserve Fund

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

Mission Partnership Funding

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

Thames Gateway Project

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

LBA Youth Fund

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

Peckham Rye Fund

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

Restricted Funds

J W Beaumont Trust Fund (an endowment fund)

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

John Bradford Trust

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

Compassionate Trust Fund

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

Restricted Funds (continued)

Hounslow Baptist Church Reserve

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

Manse Trust Fund

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

T W Philpot Trust

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

Valley Mission Fund

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

Pension Fund

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

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

Jamaica Appeal

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

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 2022 which comprise the consolidated Statement of Financial Activities, the consolidated and parent Balance Sheets, the consolidated Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2022 and of the group's surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Conclusions relating to going concern

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

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

- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

Use of our report

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

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

Dated:

5 Robin Hood Lane
Sutton
Surrey
SM1 2SW

THE LONDON BAPTIST ASSOCIATION

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

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

THE LONDON BAPTIST ASSOCIATION

CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2022

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

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

Moderator

Honorary Treasurer

Rev A Afriyie

Mrs F Ogunyide

THE LONDON BAPTIST ASSOCIATION

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

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

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

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

THE LONDON BAPTIST ASSOCIATION

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

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

THE LONDON BAPTIST ASSOCIATION

COMPANY BALANCE SHEET AT 31 DECEMBER 2022

Company number: 04325272

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

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

Moderator

Honorary Treasurer

Rev A Afriyie

Mrs F Ogunyide

THE LONDON BAPTIST ASSOCIATION

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

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

STATEMENT OF COMPREHENSIVE INCOME

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

1 ACCOUNTING POLICIES

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

1.1 Accounting convention

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

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

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

1.2 Unrestricted funds

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

1.3 Restricted funds

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

1.4 Endowment funds

Endowment funds represent the permanent capital of certain restricted funds.

1.5 Properties

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

1.6 Computers and equipment

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

1.7 Pension schemes

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

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

1.8 Investments

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

1.9 Debtors

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

1.10 Cash at bank and in hand

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

THE LONDON BAPTIST ASSOCIATION

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

1.11 Creditors and provisions

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

1.12 Financial instruments

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

1.13 Going concern

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

1.14 Income

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

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

1.15 Expenditure

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

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

2a TANGIBLE FIXED ASSETS – GROUP

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

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

THE LONDON BAPTIST ASSOCIATION

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

2b TANGIBLE FIXED ASSETS – COMPANY

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

Historical cost for land and buildings included at valuation:

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

3a INVESTMENTS – GROUP

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

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

All assets are held in the UK.

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

THE LONDON BAPTIST ASSOCIATION

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

3b INVESTMENTS – COMPANY

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

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 2022	1,899,458	775,100	2,674,558
Additions	452,958	-	452,958
Disposals	(447,537)	-	(447,537)
Revaluation (deficit)/surplus	(195,845)	14,880	(180,965)
Market value or valuation on 31 December 2022	1,709,034	789,980	2,499,014
Historical cost or probate value at 31 December 2022	1,550,202	128,370	1,678,572
Historical cost or probate value at 31 December 2021	1,477,699	128,370	1,606,069

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

THE LONDON BAPTIST ASSOCIATION

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

4 LOANS TO CHURCHES – GROUP AND COMPANY

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

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

The group has the following capital commitments at 31 December:

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

5 a DEBTORS – GROUP

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

5 b DEBTORS – COMPANY

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

6 ASSETS HELD FOR SALE – GROUP and COMPANY

	2022 £	2021 £
Property held for sale – Clayhall Baptist Church	1,000,000	-

7 a CREDITORS – GROUP

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

7 b CREDITORS – COMPANY

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

THE LONDON BAPTIST ASSOCIATION

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

8 UNRESTRICTED FUNDS – COMPANY

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

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

THE LONDON BAPTIST ASSOCIATION

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

9 RESTRICTED AND ENDOWMENT FUNDS – GROUP AND COMPANY

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

ENDOWMENT FUNDS

Deposits with LBPB Limited	3,087	-	-	-	-	-	-	-	3,087
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2021	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 2021	7,599	568,542	9,970	78,752	-	862,419	295,384	3,665,087	109,032	5,596,785
Total income	15	6,230	1,147	3,696	20,736	5,695	-	43,641	1,141	82,301
Total expenditure	(552)	-	(740)	(5,000)	(20,736)	(3,026)	-	(19,811)	-	(49,865)
Net gains/(losses) on investments	-	25,995	1,102	8,456	-	41,412	-	192,659	13,967	283,591
Transfers between funds	-	(8,000)	-	-	-	-	(295,384)	-	-	(303,384)
Balance at 31 December 2021	7,062	592,767	11,479	85,904	-	906,500	-	3,881,576	124,140	5,609,428

ENDOWMENT FUNDS

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

THE LONDON BAPTIST ASSOCIATION

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

10 CHURCH CONTRIBUTIONS – GROUP AND COMPANY

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

11 GRANTS

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

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

THE LONDON BAPTIST ASSOCIATION

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

12 SUPPORT TO CHURCHES

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

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

13 SUBSCRIPTIONS

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

THE LONDON BAPTIST ASSOCIATION

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

14 INVESTMENT INCOME

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

15 LIABILITIES FALLING DUE AFTER MORE THAN ONE YEAR

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

16 MEMBERS

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

17 REVALUATION RESERVE

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

THE LONDON BAPTIST ASSOCIATION

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

17 REVALUATION RESERVE (Continued)

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

18 ANALYSIS OF NET ASSETS BETWEEN FUNDS – GROUP

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

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

THE LONDON BAPTIST ASSOCIATION

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

2021 GROUP	Tangible fixed assets £	Investments £	Loans to churches £	Net current assets £	Long Term Liabilities £	Total £
Endowment Funds	-	-	-	3,087	-	3,087
Restricted Funds (per note 9)	-	2,674,558	2,503,060	431,810	-	5,609,428
Unrestricted Funds						
Designated Funds	600,000	-	22,760	125,679	-	748,439
General Fund	5,443,471	3,866,007	-	1,009,477	(86,401)	10,232,554
	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 9)	-	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

19 DIRECTORS AND RELATED PARTY TRANSACTIONS

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

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

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

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

20 PENSIONS and PROVISIONS

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

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

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

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2022 (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%.

Actuarial valuation as at 31 December 2019

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

The key assumptions underlying the valuation were as follows:

Type of financial assumption	% pa
RPI price inflation assumption	3.20
CPI price inflation assumption	2.70
Minimum Pensionable Income increases (RPI)	3.20
Assumed investment returns	
- Pre-retirement	2.95
- Post retirement	1.70
Deferred pension increases	
- Pre April 2009	3.20
- Post April 2009	2.50
Pension increases	
- Main Scheme pension	2.70

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

The next actuarial valuation of the DB Plan within the Scheme is due to take place not later than as at 31 December 2022.

Recovery Plan

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

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

20 PENSIONS (continued)

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

Movement in Balance Sheet liability

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

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

21 INVESTMENTS IN SUBSIDIARIES

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

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

A summary of income and expenditure is as follows:

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

The subsidiary has been included in the consolidated accounts.