

THE NORTHERN BAPTIST ASSOCIATION
(a charitable company limited by guarantee)

Charity Number 1092595

Company Number 4340889

ANNUAL REPORT
for the year ended 31 December 2020

THE NORTHERN BAPTIST ASSOCIATION

ANNUAL REPORT for the year ended 31 December 2020

CONTENTS

	<u>Page</u>
Contents	1
Statutory information	2
Trustees' report (including Directors' Report)	3
Statement of Trustees' responsibilities	6
Report of the Independent Examiner	7
Statement of financial activities	8
Balance sheet	9
Notes to the financial statements	10

THE NORTHERN BAPTIST ASSOCIATION

STATUTORY INFORMATION

Directors and Trustees	J Buckle Rev J Bunce (resigned 13 July 2020) Rev Dr J R Claydon <i>Regional Minister (Pastoral)/Team Leader</i> Rev J M Cooper M Cross Rev J P J Edwards (resigned 8 December 2020) C Harding (appointed 4 March 2020) A J Hegarty R Holland (appointed 16 th May 2020) P R Hope <i>Treasurer</i> (resigned 31 August 2020) P Hyde (appointed 3 November 2020) G P Monument <i>Treasurer</i> (appointed 1 September 2020) Rev P R Newman A P Price (resigned 8 December 2020) Rev G P Revill <i>Regional Minister (Mission Enabler)</i> Rev R Richardson Rev A V Ruddle <i>Moderator</i> Rev R Searle (resigned 16 January 2020) J Thoy Rev D P Tubby Rev R K Wynd
Company secretary	J Fleet (resigned 2 March 2020) C Harding (appointed 4 March 2020)
Registered office	23 Church Wynd Sherburn Village Co. Durham DH6 1QU
Company number	4340889
Charity registration number	1092595
Bankers	Unity Trust Bank plc Four Brindleyplace Birmingham B1 2JB CCLA Fund Managers Ltd Senator House 85 Queen Victoria Street London EC4V 4ET
Independent examiner	John W Watson FCA

THE NORTHERN BAPTIST ASSOCIATION

COMBINED TRUSTEES' AND DIRECTORS' REPORT for the year ended 31 December 2020

Structure, governance and management

The Northern Baptist Association is a company limited by guarantee which is registered as a charity with the Charity Commission. The Company has adopted Bye Laws and a Memorandum and Articles of Association which together comprise its constitution. The members of the Company are the Baptist churches situated within the Northern region of England.

The Articles of Association require that an Annual General Meeting be held in each year and provide for the convening of other general meetings if required. Each member church has the right to appoint one or more representatives (depending on the number of persons in membership with the church) to attend and vote at general meetings, and each minister in post at a member church shall also be a representative.

The Association has a Council whose members are the directors of the Company and the Trustees for the purposes of the Charities Act. The Council consists of:

- up to twelve members elected by the representatives at the Annual General Meeting;
- the Regional Ministers appointed by the Association;
- the Association Treasurer, a BMS World Mission representative and the Home Mission representative;
- up to four co-opted members to provide a balance of lay, ordained, experience, age, sex and ethnic origin membership among the member churches;
- up to three co-opted members from the Association's representatives on the Baptist Union Council.

The members of Council who served during the year are shown on page 2.

Objectives and activities

The object stated in the Memorandum of Association is the advancement of the Christian religion especially by the means of and in accordance with the principles of the Baptist denomination as set out in the Declaration of Principle of the Baptist Union of Great Britain. The Association is engaged in developing, encouraging and supporting its member churches to be creative in mission and in facilitating effective ministries. In furtherance of these aims the Association employs a Regional Minister (Pastoral, Team Leader), Rev Dr John Claydon; a Regional Minister (Mission Enabler), Rev Paul Revill; and Mrs Elaine Webster (part-time support staff).

In setting our objectives and planning our activities the Trustees have given careful consideration to the Charity Commission's public benefit guidance.

As a small charity, the remainder of the Trustees' Report focuses on the main activities undertaken by the Association to further its charitable purposes for the public benefit.

Achievements and performance

Change and transition were particularly central to our Association life in 2020. Some anticipated and others completely unexpected as the Covid pandemic took hold. The dynamic of change is always with us. The lockdowns and restrictions resulting from the pandemic created new ways of engaging in worship, discipleship, mission and discernment which dominated much our thinking in response to the time, and in anticipation of new ways for the future. However, we recognise that, for many, the year was challenging, demanding and coloured by grief and we extend our sympathy to all who have suffered.

Given all the restrictions, it is encouraging to look back and see what has happened and to celebrate the goodness and faithfulness of God. We expressed our appreciation to Phil Hope who had served as Association treasurer and welcomed Gavin Monument into that role. Roger Daniel stepped down from the role of Prayer Co-ordinator.

THE NORTHERN BAPTIST ASSOCIATION

COMBINED TRUSTEES' AND DIRECTORS' REPORT for the year ended 31 December 2020

Achievements and performance (continued)

We welcomed the following to new ministries, the first three as Ministers in Training.

- Aileen Innes to Heaton Baptist Church
- Barbara Revill to North Shields Baptist Church
- Peter Webster to Marsden Road, South Shields
- Annie Gray as Anglican minister to Kingston Park
- Mel Nixon as chaplain to HMP Deebolt
- Phil Dixon to Oxford Road, Hartlepool

During the year the following retired.

- Paul Newman from Whitley Bay
- Paul Richards from Whitley Lodge
- Ian Wren from Lakeside, Sunderland

Sadly Denis Kerridge, Richard Hetherington, James Cargill, Roy Fellows and Reginald Freeman died. We are grateful to God for their ministries and extend our sympathy to their families.

Although much of 2020 was dominated by restrictions to combat Covid-19 there were a number of significant events beforehand to encourage and equip our churches. This included: a Relmagine weekend to enable churches to explore in new ways issues of discipleship, mission, culture and leadership, a preaching seminar, a Firestarters conference to consider new ways in mission and discipleship, a joint Ministers' Conference with the Yorkshire Baptist Association where the speakers were Lynn Green (General Secretary of the Baptist Union) and Alex Harris (minister of Beacon Church in Stafford). The last in-person gathering was a Small Churches event on 16th March just as restrictions were beginning to be implemented.

As restrictions took hold, many churches migrated to on-line gatherings with creative use of social media such as Facebook, Zoom, WhatsApp and others. New ways were found to connect with others both nearby through local walking in the community to engaging with others on social media throughout the world. The Association's Assembly, Council meetings and staff meetings were held on Zoom. Andy Byers, formerly Free Church Track Director at Cranmer, our speaker at both Assemblies, encouraged us to seek and listen to God during a time of change. As with a number of churches, the Association Team produced video worship services through the year including some of our friends from other countries making contributions. We provided opportunities for training, insights and support making use of Zoom with events under the generic title of 'Life in a New Reality', a 'Wellbeing' webinar and videos called 'Fifteen minutes to change the church'. Each seeking to provide support and stimulate creative thinking. We launched a new monthly on-line prayer gathering with a particular focus on listening to God and held an on-line retreat day. Many of our videos were added to our NBA YouTube channel which already has a number of useful videos including hymns and songs, which have been used around the world, including Alaska, other states in the U.S.A., South Africa and Australia. Our YouTube channel now has 111 videos, 43,400 subscribers and over 39,000,000 views. Within our churches we have seen a growth in innovation, new opportunities for outreach, the rise of 'blended' church ministry that has tried to include those who are tech-rich and those who are tech-poor. However, we need to recognise the significant weariness, depression, stress and frustration resulting from the Covid Pandemic and subsequent social restrictions.

THE NORTHERN BAPTIST ASSOCIATION

COMBINED TRUSTEES' AND DIRECTORS' REPORT for the year ended 31 December 2020

Achievements and performance (continued)

The Association is served by three paid staff: Rev Dr John Claydon, Rev Paul Revill and Elaine Webster, and many volunteers who support, provide training, stimulate new ways of thinking and engagement, give advice to churches and steer the overall life of the Association. John was able to take sabbatical leave in November and December in order to focus on some particular projects. As he retires in August 2021, the Association has engaged in a substantial period of consultation with a view to appointing a Transitional Strategic Leader (Regional Minister) during 2021. This is anticipating a thorough reappraisal and review of our corporate life, enabling more effective engagement in mission for our current times.

Financial review

Income

During the year, total income of the Association decreased by £111,000 which was primarily due to one-off income in the previous year of £85,000 received following the sale of the Lightfoot Grove Church and Manse. There is a further £6,400 which is due to be received in annual instalments over the next six years, although the income and associated debtor have not been reflected in these financial statements due to the uncertainty surrounding their collection. In addition, the Baptist Union of Great Britain (BUGB) is clawing back £25,100 (15.9%) of the funding they provided to the Association in 2020 due to the BUGB not achieving their budget. The clawback will be carried out by adjusting the February and March 2021 grant payments from BUGB.

Expenditure

The total expenditure of the Association reduced by £17,700 which is principally due to the effects of COVID-19. The temporary closure of churches due to COVID-19 and transfer of meetings to online has reduced travel expenses by 53% and other costs by 31%.

Net resources

In 2019 the Association settled its pension liability relating to the Baptist Pension Scheme for £100,500 meaning that it has no further obligations relating to this. The remainder of the pension reserve was then transferred into the general fund.

Overall, the unrestricted fund decreased by £4,100 (2019 – increase of £88,300) to leave a balance carried forward of £73,400 (2019 – £120,000). Transfers between funds in 2020 reflects the decision that 50% of the benefit of the Lightfoot Grove Church and Manse disposal would be included in the designated Development Fund.

Looking ahead

The BUGB have confirmed the Association's funding for 2021, which is again contingent on their performance. The NBA is currently in a stronger position following the settlement of all its pension scheme liabilities.

Reserves

It is the policy of the Trustees to seek to maintain unrestricted reserves in the Association's General Fund equivalent to a minimum of 50% of the Association's annual unrestricted expenditure. This policy will be reviewed annually.

The Trustees declare that they have approved the Trustees' report (including Directors' report) above.

THE NORTHERN BAPTIST ASSOCIATION

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees, as directors of the company, are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company at the end of the financial year and of its surplus or deficit for the year. In doing so the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice 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 company will continue in operational existence.

The Trustees are also responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

THE NORTHERN BAPTIST ASSOCIATION

REPORT OF THE INDEPENDENT EXAMINER

to the Trustees of The Northern Baptist Association (company number 4340889) ("the Company")

I report on the financial statements of the Company for the year ended 31 December 2020, which are set out on pages 8 to 19.

Responsibilities and basis of report

As the charity's trustees of the Company (who are also the directors of the company for the purposes of company law), you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ("the 2006 Act").

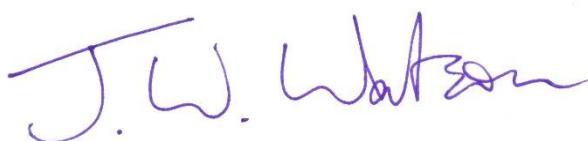
Having satisfied myself that the accounts of the Company are not required to be audited for this year under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011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

Independent Examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention which gives me cause to believe that:

- accounting records were not kept in accordance with section 386 of the Companies Act 2006; or
- the accounts do not accord with such records; or
- the accounts do not comply with relevant accounting requirements under section 396 of the Companies Act 2006 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or
- the accounts have not been prepared in accordance with the Charities SORP (FRS102).

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



John W Watson FCA
43 Norham Drive
Morpeth
NE61 2XA

21 April 2021

THE NORTHERN BAPTIST ASSOCIATION

STATEMENT OF FINANCIAL ACTIVITIES for the year ended 31 December 2020

	Note	2020 Unrestricted £	2020 Designated £	2020 Restricted £	2020 Total £	2019 Unrestricted £	2019 Designated £	2019 Restricted £	2019 Total £
INCOME AND ENDOWMENTS									
Donations and legacies	2	3,585	—	—	3,585	103,557	—	—	103,557
Investment income	3	667	—	—	667	902	—	—	902
Income from Charitable activities	4	147,317	—	—	147,317	154,130	—	—	154,130
Other income	5	4,493	-	—	4,493	6,979	1,514	—	8,493
Total income and endowments		156,062	-	—	156,062	265,568	1,514	—	267,082
EXPENDITURE									
Expenditure on Charitable activities	6	(160,192)	-	—	(160,192)	(177,296)	(627)	—	(177,923)
Total expenditure		(160,192)	-	—	(160,192)	(177,296)	(627)	—	(177,923)
Net (expense) / income for the year before transfers		(4,131)	-	—	(4,131)	88,272	887	—	89,159
Transfers between funds		(42,500)	42,500	—	—	55,849	(55,849)	—	—
Other gains									
Actuarial gains on defined benefit pension schemes	16	-	—	—	-	24,068	—	—	24,068
NET MOVEMENT IN FUNDS		(46,631)	42,500	—	(4,131)	168,189	(54,962)	—	113,227
Total funds / (deficit) brought forward		119,985	78,392	—	198,377	(48,204)	133,354	—	85,150
TOTAL FUNDS CARRIED FORWARD		73,354	120,892	—	194,246	119,985	78,392	—	198,377

All of the above arises from continuing operations. The Charity has no recognised gains or losses other than those shown above and therefore no separate statement of total recognised gains and losses is presented.

THE NORTHERN BAPTIST ASSOCIATION

BALANCE SHEET as at 31 December 2020

	Note	2020 £	2020 £	2019 £	2019 £
FIXED ASSETS					
Tangible fixed assets	9	-		190	
Investments	10	<u>3,160</u>		<u>3,158</u>	
			3,160		3,348
CURRENT ASSETS					
Debtors	11	-		-	
Cash at bank and in hand	12	<u>223,481</u>		<u>220,355</u>	
		223,481		220,355	
CURRENT LIABILITIES					
Creditors	13	<u>(32,395)</u>		<u>(25,326)</u>	
NET CURRENT ASSETS			191,088		195,029
PROVISIONS	16		-		-
NET ASSETS			<u>194,246</u>		<u>198,377</u>
CHARITY FUNDS					
Endowment	14	-		-	
Restricted	14	-		-	
Designated	14		120,892		78,392
Unrestricted	14		73,354		119,985
TOTAL CHARITY FUNDS	15		<u>194,246</u>		<u>198,377</u>

For the year ended 31 December 2020, the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476 of the Companies Act 2006. At the request of the directors an independent examination of the financial statements has been carried out in accordance with the general Directions given by the Charity Commission and the Independent Examiner's Report is on page 7.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

The notes on pages 10 to 19 form an integral part of these financial statements.

These financial statements were approved by the directors on 21 April 2021 and signed on their behalf by:

Anthony V. Ruddle

Rev A V Ruddle
Director
Company number: 4340889

G Monument

G Monument
Director

THE NORTHERN BAPTIST ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2020

1 Accounting policies

Basis of preparation

The financial statements are prepared in accordance with the Charities Statement of Recommended Practice (Charities SORP (FRS102)), FRS102 and with the Charities Act 2011. The Charity has claimed the exemption in accordance with section 7 of FRS 102 not to prepare a cash flow statement.

The Northern Baptist Association is a registered charity, number 1092595, and meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Income recognition

All incoming resources are included in the Statement of Financial Activities when the Charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

Donations

Donations are accounted for gross when received.

Legacies

Legacies are accounted for on the earlier of notification of an impending distribution and the legacy being received, provided that the legacy can be properly quantified.

Investment income

Investment income is included in the accounts in the year in which it is receivable.

Expenditure recognition

All expenditure is accounted for on an accruals basis. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Grants payable

The Charity makes grants to other organisations whose charitable objectives complement its work. They are accounted for in the year in which they are paid.

Support costs

Support costs are those that assist the work of the Charity but do not directly represent charitable activities and include office and governance costs.

Fixed assets

Furniture and equipment is included at cost less accumulated depreciation.

Depreciation

Depreciation is calculated to write off the cost on a straight-line basis over the expected useful life of the asset of two years.

Investment assets

Investments are initially recognised at cost. Subsequently they are measured at fair value with changes recognised in the Statement of Financial Activities if the shares are publicly traded or their fair value can otherwise be measured reliably. All other investment assets are shown at cost less impairment.

Cash at bank and in hand

Cash and cash equivalents are defined as cash balances in hand and in the bank (including short-term cash deposits).

THE NORTHERN BAPTIST ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2020

1 Accounting policies (continued)

Funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the Association and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Endowment funds represent those assets which must be held permanently by the charity. Income arising from endowment funds can be used in accordance with the objects of the charity and is included in unrestricted income. Any capital gains or losses arising on investments form part of the fund. Investment management charges and legal advice relating to the fund are charged against the fund.

Employee benefits

The Association operates a Defined Contribution (DC) Plan for its employees. A DC plan is a pension plan under which the Association pays fixed contributions into a separate entity. Once the contributions have been paid, the Association has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the balance sheet. The assets of the plan are held separately from the Association in an independently administered fund.

Prior to 2012, pension provision was made through a multi-employer Defined Benefit (DB) Pension Plan. Where applicable, if it was not possible for the Association to obtain sufficient information to enable it to account for the plan as a DB plan, it accounted for the plan as a DC plan.

Where applicable, if the DB plan was in deficit and where the Association had agreed with the plan to participate in a deficit funding arrangement, the Association recognised a liability for this obligation and made provision for it. The amount recognised was the amount required to buy out the debt via annuities under the agreement that related to the deficit. The amount paid each year under the agreement was expensed in the Statement of Financial Activities. The change in the value of the provision was recognised as a finance cost or write back. See also Note 16.

2 Donations and legacies

	Unrestricted £	Designated £	Restricted £	Total 2020 £	Total 2019 £
Donations and legacies	2,204	—	—	2,204	99,707
Assembly income	228	—	—	228	1,291
Contributions to preaching costs	1,152	—	—	1,152	2,559
	3,585	—	—	3,585	103,557

During the year ended 31 December 2019 all of the income related to unrestricted funds.

THE NORTHERN BAPTIST ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 December 2020

3 Investment income

	Unrestricted £	Designated £	Restricted £	Total 2020 £	Total 2019 £
CCLA COIF Charities Deposit	465	–	–	465	695
Fund interest					
Loan interest	202	–	–	202	207
	<u>667</u>	<u>–</u>	<u>–</u>	<u>667</u>	<u>902</u>

During the year ended 31 December 2019 all of the income related to unrestricted funds.

4 Income from charitable activities

	Unrestricted £	Designated £	Restricted £	Total 2020 £	Total 2019 £
Baptist Union of Great Britain					
Core Funding	147,317	–	–	147,317	154,130
	<u>147,317</u>	<u>–</u>	<u>–</u>	<u>147,317</u>	<u>154,130</u>

During the year ended 31 December 2019 all of the income related to unrestricted funds.

5 Other income

	Unrestricted £	Designated £	Restricted £	Total 2020 £	Total 2019 £
Grant from Lady Hewley Trust	2,333	–	–	2,333	4,665
Other income	2,161	–	–	2,161	3,828
	<u>4,493</u>	<u>–</u>	<u>–</u>	<u>4,493</u>	<u>8,493</u>

During the year ended 31 December 2019 all of the income related to designated and unrestricted funds.

THE NORTHERN BAPTIST ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 December 2020

6 Expenditure on Charitable activities

	Unrestricted £	Designated £	Restricted £	Total 2020 £	Total 2019 £
Grants payable	45,726	—	—	45,726	47,211
Staff salaries	68,219	—	—	68,219	66,660
Employer's National Insurance	1,870	—	—	1,870	2,719
Employer's pension contributions	6,751	—	—	6,751	8,970
Housing expenses	24,439	—	—	24,439	24,040
Conferences and courses	747	—	—	747	4,136
Travel expenses	5,652	—	—	5,652	12,014
Committee travel and expenses	895	—	—	895	747
NBA Handbook	-	—	—	-	142
NBA Assemblies	-	—	—	-	993
Pension interest	-	—	—	-	2,165
Other expenses	2,993	-	—	2,993	4,334
	157,292	-	—	157,292	174,131
<i>Support costs:</i>					
Telephone, stationery, postage	1,384	—	—	1,384	2,140
Depreciation of equipment	190	—	—	190	325
Insurance	1,327	—	—	1,327	1,327
	160,192	-	—	160,192	177,923

During the year ended 31 December 2019 all of the expenditure related to designated and unrestricted funds. The average number of employees during the year was 3 (2019: 3).

No employee received emoluments in excess of £60,000 during either the current or previous year.

THE NORTHERN BAPTIST ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 December 2020

7 Grants and donations payable

	Unrestricted £	Designated £	Restricted £	Total 2020 £	Total 2019 £
Home Mission grants					
<u>Annual grants</u>					
Berwick	7,500	—	—	7,500	7,500
Blackhill	4,000	—	—	4,000	4,000
College Tutor	3,662	—	—	3,662	3,500
Coulby Newham	4,000	—	—	4,000	7,000
Durham City	-	—	—	-	1,667
Filipino Church	5,000	—	—	5,000	7,200
Hartlepool, Headland	2,931	—	—	2,931	-
Hartlepool, Owton Manor	-	—	—	-	2,000
Hartlepool, West View	5,000	—	—	5,000	5,000
Marsden Road	1,333	—	—	1,333	-
North Shields	1,000	—	—	1,000	1,875
Pioneer	-	—	—	-	3,475
Portrack	5,000	—	—	5,000	2,000
Wallsend	5,000	—	—	5,000	-
<u>Mission project grants</u>					
Rowley	400	—	—	400	-
Northern Baptist College	—	—	—	—	250
	44,826	—	—	44,826	45,467
Donations					
NECAT	600	—	—	600	600
BMS World Mission – Assembly	-	—	—	-	572
Offering	-	—	—	-	-
BUGB Home Mission – Assembly	-	—	—	-	572
Offering	-	—	—	-	-
	45,726	—	—	45,726	47,211

8 Trustees' remuneration and expenses

The following payments were made to Trustees under Section 5d, 5e and 6 of the Memorandum of Association:

	2020 £	2019 £
Salaries	62,400	60,970
Pension costs	6,751	8,935
Housing expenses	24,439	24,039
Travel expenses	4,592	10,651
	98,182	104,595

Rev Dr J R Claydon acts as one of the Association's Trustees and received remuneration of £33,600, housing expenses of £12,177 and travel expenses of £1,244. In addition, the Charity made pension contributions totalling £3,592.

Rev G P Revill acts as one of the Association's Trustees and received remuneration of £28,800, housing expenses of £12,261 and travel expenses of £3,348. In addition, the Charity made pension contributions totalling £3,159.

THE NORTHERN BAPTIST ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 December 2020

8 Trustees' remuneration and expenses (continued)

During the year, excluding expenses set out in the above table, further expenses of £895 were incurred by four Trustees. These expenses were in relation to travel, subsistence, communication and stationery.

The Trustees are the key management personnel of the Charity.

The pensions costs relate to employer contributions to the DC plan within the Baptist Pension Scheme. Prior to paying off the Association's pensions deficit in 2019, the Association also paid pension deficit contributions to the DB plan within the Baptist Pension Scheme (previously the Baptist Ministers' Pension Scheme), which is a final salary DB scheme, not contracted out of the State Second Pension (S2P). The DB plan is a multi-employer arrangement and it is not possible to identify the assets and liabilities which are attributable to the Association. Therefore, where applicable and in accordance with FRS 102 Section 28, the DB plan within the Scheme was accounted for as a DC scheme. See also Note 16.

9 Tangible fixed assets

	2020 £	2019 £
Cost		
At 1 January	1,528	1,528
Additions	-	-
Disposals	-	-
At 31 December	<u>1,528</u>	<u>1,528</u>
Depreciation		
At 1 January	(1,338)	(1,013)
Charge for the year	(190)	(325)
Disposals	-	-
At 31 December	<u>(1,528)</u>	<u>(1,338)</u>
Net book value		
At 31 December	<u>-</u>	<u>190</u>

All of the fixed assets are used for direct charitable purposes.

10 Investments

	2020 £	2019 £
Cost		
At 1 January	3,158	3,151
Additions	2	7
At 31 December	<u>3,160</u>	<u>3,158</u>

The investments are analysed as:-

	2019 £	2018 £
Baptist Insurance Company plc – 471 £5 shares fully paid	2,355	2,355
Baptist Union Corporation Loan	805	803
	<u>3,160</u>	<u>3,158</u>

THE NORTHERN BAPTIST ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 December 2020

11 Debtors

	2020 £	2019 £
Prepayments and other debtors	—	—

12 Cash at bank and in hand

	2020 £	2019 £
Unity Trust Bank plc	34,443	13,782
CCLA COIF Charities Deposit Fund	189,038	206,573
	223,481	220,355

13 Creditors

	Amounts falling due within one year		Amounts falling due after one year	
	This year £	Last year £	This year £	Last year £
Accrued expenses and deferred income	3,276	3,923		
Other creditors	27,119	17,403	2,000	4,000
	30,395	21,326	2,000	4,000

14 Summary of fund movements

	Balance brought forward £	Incoming resources £	Outgoing resources £	Transfers £	Balance carried forward £
Unrestricted					
General Fund	119,985	156,060	(160,192)	(42,500)	73,352
Designated					
Benevolent Fund	266	—	—	—	266
Development Fund	67,632	—	—	42,500	110,132
Lithuania Fund	516	—	—	—	516
Mission Support Fund	8,464	—	—	—	8,464
NBA Ministers' Fellowship Fund	1,514	—	—	—	1,514
Restricted	—	—	—	—	—
	198,377	156,060	(160,192)	—	194,244

Benevolent Fund

The Benevolent Fund is administered by the Regional Ministers.

Development Fund

The Development Fund is designated for future special projects within the Association.

Lithuania Fund

The Lithuania Fund is designated to be used by the Association to support Baptists from Lithuania visiting the NBA by 2021.

THE NORTHERN BAPTIST ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 December 2020

14 Summary of fund movements (continued)

Mission Support Fund

The Mission Support Fund represents donations received to provide financial support for members of NBA churches engaged in mission projects.

NBA Ministers' Fellowship Fund

This consists of monies received from the closure of the NBA Ministers' Fellowship bank account due to change in the Fellowship's modus operandi. The monies will be held in a designated fund for the support of events or activities related to the NBA Ministers.

15 Analysis of net assets

	Fixed assets	Investments	Current assets	Current liabilities	Provisions	Total
	£	£	£	£	£	£
Endowment funds	—	—	—	—	—	—
Restricted funds	—	—	—	—	—	—
Designated funds	—	—	120,892	—	—	120,892
Unrestricted funds	-	3,158	102,589	(32,395)	—	73,352
	-	3,158	223,481	(32,395)	—	194,244

16 Pensions

Baptist Pension Scheme

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

The Ministers employed by the Association are eligible to join the Scheme.

Since January 2012, pension provision has been 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. In addition, the employer pays a further 4% of Pensionable Income (or 3% if the employer is in the segregated DC section) to cover Death in Service Benefits, administration costs, and an associated insurance policy which provides income protection for Scheme members in the event that they are unable to work due to long-term incapacity. This income protection policy has been insured by the Baptist Union of Great Britain with Aviva. Members of the Basic Section pay reduced contributions of 5% of Pensionable Income, and their employers also pay a total of 5%.

The total Defined Contribution pension cost for the Association for the year is £6,751 (2019 £8,935 excluding the settlement of the pensions deficit).

The Charity has also entered into a moral commitment to pay BUGB £2,000 per year for the years ending 31 December 2021 and 31 December 2022 as the final parts of a five-year plan to support the 'Family Solution' for reducing the deficit on the DB Plan within the Scheme. This amount is recognised as a liability within these financial statements.

THE NORTHERN BAPTIST ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 December 2020

16 Pensions (continued)

Benefits in respect of service prior to 1 January 2012 are provided through the Defined Benefit (DB) Plan within the Scheme. The main benefits for pre-2012 service were a DB pension of one eightieth of Final Minimum Pensionable Income for each year of Pensionable Service, together with additional pension in respect of premiums paid on Pensionable Income in excess of Minimum Pensionable Income. The Scheme, previously known as the Baptist Ministers' Pension Fund, started in 1925, but was closed to future accrual of defined benefits on 31 December 2011.

In 2019 the Association enacted a voluntary cessation event under Section 75 of the Pensions Act 1995. This made the Association liable for a proportion of the overall deficit (assessed by reference to the cost of securing benefits by the purchase of annuities) applicable to its current and previous Ministers who were members of the Scheme prior to 2012. The Association settled its debt during 2019 at a cost of £100,500 and now has no further obligations to the DB Plan within the Scheme.

The following information relates to the DB Plan within the Scheme as would have applied if no settlement of the Association's deficit had taken place in 2019.

A formal valuation of the DB Plan relating to all participating employers was performed at 31 December 2019 by a professionally qualified Actuary using the Projected Unit Method. The market value of the DB Plan assets at the valuation date was £298 million.

The valuation of the DB Plan revealed a deficit of assets compared with the value of liabilities of £18 million (equivalent to a past service funding level of 94%). As a result of the valuation, in addition to the contributions to the DC Plan set out above, it was agreed that the standard rate of deficiency contributions from churches and other employers involved in the DB Plan who have not settled their debt would remain at previously agreed levels, increasing each year in line with increases in the Minimum Pensionable Income. The deficiency contributions are broadly based on 12% of Pensionable Income / Minimum Pensionable Income, reflecting each employer's contributions in March 2015. Some employers that were involved in the DB Plan for a short period pay lower contributions. The Scheme Trustees and the BU Council agreed a 50% reduction for all deficiency contributions payable between 1 July 2020 to 31 December 2020.

In addition, the Baptist Union of Great Britain contributed a lump sum of £0.5m by 31 December 2020. The recovery plan dated 30 September 2020 envisages deficiency contributions continuing until 30 June 2026 for those participating employers who have not settled their debt.

The key assumptions underlying the valuation were as follows:

Type of financial assumption	% p.a.
RPI price inflation assumption	3.20
CPI price inflation assumption	2.70
Pensionable salary increase (CPI plus 1.0% p.a.)	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
Pensions in payment increases	2.70

As there is a large number of contributing employers participating in the DB Plan, the Association is unable to identify its share of the underlying assets and liabilities of the Scheme. Accordingly, due to the nature of the Scheme, the income and expenditure charge for each period represents the employer contributions payable. The next actuarial valuation of the DB Plan within the Scheme is due as at 31 December 2022.

THE NORTHERN BAPTIST ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 December 2020

17 Related party transactions

There were no related party transactions, other than those with the Trustees (note 8), in either the current or previous year.

18 Funding commitments

The Charity is committed to paying £43,646 of Home Mission grants during the year ending 31 December 2021 subject to certain conditions being satisfied.

These funding commitments are not recognised as a liability or provision within these financial statements.