

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

Charity Number 1092595

Company Number 4340889

ANNUAL REPORT
for the year ended 31 December 2021

THE NORTHERN BAPTIST ASSOCIATION

ANNUAL REPORT for the year ended 31 December 2021

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THE NORTHERN BAPTIST ASSOCIATION

STATUTORY INFORMATION

Directors and Trustees

J Buckle
Rev Dr J R Claydon *Regional Minister (Pastoral)/Team Leader (retired 31 August 2021)*
Rev J M Cooper
Rev M Cross
Rev P Dixon *(appointed 24 April 2021)*
Rev Caroline Friend
C Harding *(resigned 15 April 2021)*
A J Hegarty
Rev R Holland
P Hyde *BMS World Mission representative*
C McCullars *(appointed 24 April 2021, resigned 18 December 2021)*
G P Monument *CPFA Treasurer*
Rev P R Newman *(resigned 24 April 2021)*
V Pensacala *(appointed 24 April 2021)*
Rev G P Revill *Regional Minister (Mission Enabler)*
Rev R Richardson *Home Mission Co-ordinator*
Rev A V Ruddle *Moderator*
J Thoy
Rev D P Tubby
Rev R K Wynd *(resigned 24 April 2021)*
Rev H Young *Transitional Strategic Leader (appointed 1 September 2021)*

Company secretary

C Harding *(resigned 15 April 2021)*
M Heaton *(appointed 15 April 2021)*

Registered office

1st Floor Block C
The Wharf, Manchester Road
Burnley, Lancashire BB11 1JG

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 2021

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 remains committed to its mission statement to 'engage together in developing, encouraging and supporting churches to be creative in mission, and facilitating effective ministries'. Developing collaboration, providing training, supporting churches in their regular life and specific mission focus, as well as providing pastoral support to ministers and others remains at the heart of all that we do.

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

2021 marked the departure of Rev Dr John Claydon after 20 years as Regional Minister of the NBA and as part of this report the Trustees place on record their thanks to him for his faithful service.

This of course meant that much of 2021 was spent in the search for the right person to bring about Transition in the Association after the Trustees determined to create a new and unique post of Transitional Strategic Leader for a contract of 3 years. It has been challenging and a blessing as our Lord led us through each phase and we are grateful to all who have contributed.

Our aim was for an 'in-depth root and branch review of the Team and Association structures that will meet the needs of our churches in the 21st century'. This will keep us focussed and centred on the goal of pioneering and missional activity through the following as we sought a person who fulfilled these criteria:-

THE NORTHERN BAPTIST ASSOCIATION

COMBINED TRUSTEES' AND DIRECTORS' REPORT for the year ended 31 December 2021

Achievements and performance (continued)

- Strategic
- Flexible
- Visionary
- Responsive
- Relational
- Imaginative and creative
- Releasing and empowering
- Encompassing of the wide range of gifts given by God to the church

The process of selection was through involving people from within the NBA, the wider Baptist Together community and the Northern Baptist College most connected with the Association through its site at Durham. The outcome was a unanimous recommendation to the Trustees and then to the NBA Assembly of the Revd Hayley Young who was serving as the Mission Enabler of the South Wales Baptist Association.

To achieve a start date of September 2021 the Assembly had to approve the appointment and the purchase of a manse and, despite a minor delay, this was achieved.

Hayley has made an excellent start in communication and updating various areas but the main thrust will come when she presents the first phase of her review after 100 days in January 2022.

2021 has been hard on many ministries and we acknowledge the stress and weariness that having to manage church life has placed on our ministers and their church leadership in the many changes the Covid pandemic has brought and imposed. We pray for their respite in 2022, their blessing and advancement of their mission.

Due to lack of travel possibilities **the Lithuania Partnership** has been in abeyance this last year.

Other events and activities

As a result of the pandemic, the two assemblies were quite different this year. The first was held by Zoom on a Friday evening, 23rd April. Alan Donaldson brought a challenging message and application from his narrowboat home while Glen Cormack led worship from North Allerton. On Saturday morning the AGM was held again on Zoom to discuss and decide the appointment of the Trustee proposal of Revd Hayley Young. One particular new innovation was the holding of a Youth event by zoom on the Saturday evening and the success this has led us to plan a similar, but in person, event when it proves possible.

The autumn Assembly was held in person at Oxford Road Hartlepool and, with worship led by Fiona Preston and music team, it was so good to be back together in this way worshipping AND giving praise to God. With Hayley now in post and ably assisted by others the theme of pioneering by testimony, word and challenge to us all was strongly made and welcomed.

At the April Assembly we welcomed new Trustees to the Council of the NBA: Phil Dixon, Clare McCullars and Virgilio Pansacala. Sadly due to personal circumstances Clare had to stand down in December 2021. It is our hope and intention to strengthen the Council by training and new nominations during 2022.

THE NORTHERN BAPTIST ASSOCIATION

COMBINED TRUSTEES' AND DIRECTORS' REPORT for the year ended 31 December 2021

Missional Engagement

As a group of fifty churches, we have engaged in many different forms of mission within local communities across the past year. Covid has had a deep impact in the North East and our churches have often been in the forefront of providing support through food distribution, supporting those with mental health needs, providing spaces for prayer, reflection and a listening ear, and partnering with other social projects in their communities. As an Association we have supported churches with ongoing resourcing, networking, guidance and encouragement through the past year. Our plan for the coming year will be to bring new energy to work alongside churches to enable new forms of outreach and missional communities to become established, especially where churches are small, ageing and having difficulty in engaging with their community on their own.

Financial review

Key changes

This financial year has been one of significant change for the Association. We are grateful to Rev. Dr. J Claydon, who retired on 31 August, for serving as Regional Minister for 20 years. We are also encouraged by the appointment of Rev. H Young who will lead a strategic change to Association life over the next three years. In addition to the change in personnel, the Association purchased a manse to provide housing for Rev. H Young as the previous arrangement with the regional minister had been to lease back their home. The purchase of the manse for £172,500 was funded partly from reserves and through a £100,000 loan from the Yorkshire Baptist Association, repayable over 15 years plus interest at 2.6% per annum.

Income

During the year, total income of the Association increased by £32,200. This was primarily as a result of the Baptist Union of Great Britain (BUGB) not requiring a clawback of 2021 funds (£25,100 in 2020) and an additional grant from the Lady Hewley Trust to support the ongoing work with churches in the association. A significant number of churches and individuals in the region provided donations to gift to the regional minister on his retirement. These gifts were recorded as restricted donations and passed on to the regional minister on his retirement.

Expenditure

The total expenditure of the Association increased by £9,800. The main contributions to this increase were the one-off costs of the manse purchase of £7,200, including all legal fees associated with the purchase and the pass through of the gifts for the retiring regional minister. The impact of COVID-19 on expenditure has continued in 2021, maintaining low levels of travel and subsistence as churches were closed for part of the year, and the continuing use of online meetings.

Net resources

The purchase of the manse has had a significant impact on net resources. Unrestricted funds have reduced to £11,600 (£73,400 in 2020) and although designated funds have increased to £200,900 (£120,900 in 2020), £172,500 of this is invested in the manse.

The association also reduced its investments by £807 in 2021. The association invested £750 with BUGB in 1994 to set up the Baptist Loan Fund. This was moved into a 7-day interest account in 2010 by the BUGB, accumulating a small element of interest each year. Following an audit of accounts by BUGB they advised that the balance on the account is below the usual minimum balance for that type of account, so the association agreed to close the account and the balance was transferred to the association bank account.

THE NORTHERN BAPTIST ASSOCIATION

COMBINED TRUSTEES' AND DIRECTORS' REPORT for the year ended 31 December 2021

Looking ahead

The BUGB have confirmed the Association's funding for 2022, which is again contingent on their performance. The NBA is currently in a stronger position following the settlement of all its pension scheme liabilities. In addition the loan repayments to the Yorkshire Baptist Association are lower than the lease cost of the previous regional minister's home, enabling a small annual saving to be achieved whilst still meeting the loan repayments.

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 will be challenging in the coming years due to the loan repayment due to the Yorkshire Baptist Association. However, the policy will continue to be reviewed annually.

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

Rev A V Ruddle
Director

15 March 2022

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 2021, which are set out on pages 9 to 20.

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

15 March 2022

THE NORTHERN BAPTIST ASSOCIATION

STATEMENT OF FINANCIAL ACTIVITIES for the year ended 31 December 2021

	Note	2021			Total	2020			Total
		Unrestricted £	Designated £	Restricted £	£	Unrestricted £	Designated £	Restricted £	£
INCOME AND ENDOWMENTS									
Donations and legacies	2	3,940	—	4,685	8,625	3,584	—	—	3,584
Investment income	3	221	—	—	221	667	—	—	667
Income from Charitable activities	4	166,748	—	—	166,748	147,317	—	—	147,317
Other income	5	12,683	-	—	12,683	4,494	-	—	4,494
Total income and endowments		183,591	-	4,685	188,276	156,062	-	—	156,062
EXPENDITURE									
Expenditure on Charitable activities	6	(165,349)	-	(4,685)	(170,034)	(160,193)	-	—	(160,193)
Total expenditure		(165,349)	-	(4,685)	(170,034)	(160,193)	-	—	(160,193)
Net (expense) / income for the year before transfers		18,242	-	—	18,242	(4,131)	-	—	(4,131)
Transfers between funds		(80,000)	80,000	—	—	(42,500)	42,500	—	—
Other gains									
Actuarial gains on defined benefit pension schemes	16	-	—	—	-	-	—	—	-
NET MOVEMENT IN FUNDS		(61,758)	80,000	—	18,242	(46,631)	42,500	—	(4,131)
Total funds brought forward		73,354	120,892	—	194,246	119,985	78,392	—	198,377
TOTAL FUNDS CARRIED FORWARD		11,596	200,892	—	212,488	73,354	120,892	—	194,246

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 2021

	Note	2021 £	2021 £	2020 £	2020 £
FIXED ASSETS					
Tangible fixed assets	9	172,500		-	
Investments	10	<u>2,355</u>		<u>3,160</u>	
			174,855		3,160
CURRENT ASSETS					
Debtors	11	-		-	
Cash at bank and in hand	12	<u>143,969</u>		<u>223,481</u>	
		143,969		223,481	
CURRENT LIABILITIES					
Creditors	13	<u>(106,336)</u>		<u>(32,395)</u>	
NET CURRENT ASSETS			37,633		191,086
NET ASSETS			<u>212,488</u>		<u>194,246</u>
CHARITY FUNDS					
Endowment	14	-		-	
Restricted	14	-		-	
Designated	14	200,892		120,892	
Unrestricted	14	11,596		73,354	
TOTAL CHARITY FUNDS	15	<u>212,488</u>		<u>194,246</u>	

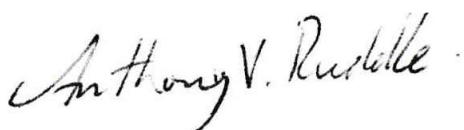
For the year ended 31 December 2021, the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

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 8.

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 11 to 20 form an integral part of these financial statements.

These financial statements were approved by the directors on 15 March 2022 and signed on their behalf by:



Rev A V Ruddle
Director
Company number: 4340889



G P Monument
Director

THE NORTHERN BAPTIST ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2021

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.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is provided at rates calculated to write off fixed assets, less their estimated residual value over their expected useful lives as follows:

Freehold land and buildings	Not depreciated
Office Equipment	50% straight line

Freehold land and buildings comprises a manse which is held with a view to furthering the objects of the charity. No depreciation is charged against these assets on the basis that the residual value is at least equal to the carrying value.

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.

THE NORTHERN BAPTIST ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2021

1 Accounting policies (continued)

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).

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 2021 £	Total 2020 £
Donations and legacies	1,622	–	4,685	6,307	2,204
Assembly income	515	–	–	515	228
Contributions to preaching costs	1,803	–	–	1,803	1,152
	3,940	–	4,685	8,625	3,584

During the year ended 31 December 2020 all of the income related to unrestricted funds.

THE NORTHERN BAPTIST ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 December 2021

3 Investment income

	Unrestricted £	Designated £	Restricted £	Total 2021 £	Total 2020 £
CCLA COIF Charities Deposit	19	–	–	19	465
Fund interest					
Loan interest	202	–	–	202	202
	<u>221</u>	<u>–</u>	<u>–</u>	<u>221</u>	<u>667</u>

During the year ended 31 December 2020 all of the income related to unrestricted funds.

4 Income from charitable activities

	Unrestricted £	Designated £	Restricted £	Total 2021 £	Total 2020 £
Baptist Union of Great Britain					
Core Funding	166,748	–	–	166,748	147,317
	<u>166,748</u>	<u>–</u>	<u>–</u>	<u>166,748</u>	<u>147,317</u>

During the year ended 31 December 2020 all of the income related to unrestricted funds.

5 Other income

	Unrestricted £	Designated £	Restricted £	Total 2021 £	Total 2020 £
Grant from Lady Hewley Trust	12,663	–	–	12,663	2,333
Other income	20	–	–	20	2,161
	<u>12,683</u>	<u>–</u>	<u>–</u>	<u>12,683</u>	<u>4,494</u>

During the year ended 31 December 2020 all of the income related to unrestricted funds.

THE NORTHERN BAPTIST ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 December 2021

6 Expenditure on Charitable activities

	Unrestricted £	Designated £	Restricted £	Total 2021 £	Total 2020 £
Grants payable	44,446	—	—	44,446	45,726
Staff salaries	70,286	—	—	70,286	68,219
Employer's National Insurance	1,780	—	—	1,780	1,870
Employer's pension contributions	6,716	—	—	6,716	6,751
Housing expenses	21,516	—	—	21,516	24,439
Manse purchase costs	7,188	—	—	7,188	-
Conferences and courses	957	—	—	957	747
Travel expenses	4,782	—	—	4,782	5,652
Committee travel and expenses	190	—	—	190	895
NBA Assemblies	175	—	—	175	-
Loan repayments	2,267	—	—	2,267	-
Other expenses	1,684	-	4,685	6,369	2,993
	161,987	-	4,685	166,672	157,292
<i>Support costs:</i>					
Telephone, stationery, postage	1,714	—	—	1,714	1,384
Depreciation of equipment	-	—	—	-	190
Insurance	1,648	—	—	1,648	1,327
	165,349	-	4,685	170,034	160,193

During the year ended 31 December 2020 all of the expenditure related to unrestricted funds. The average number of employees during the year was 3 (2020: 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 2021

7 Grants and donations payable

	Unrestricted £	Designated £	Restricted £	Total 2021 £	Total 2020 £
Home Mission grants					
<u>Annual grants</u>					
Berwick	6,300	—	—	6,300	7,500
Blackhill	4,000	—	—	4,000	4,000
College Tutor	3,746	—	—	3,746	3,662
Coulby Newham	-	—	—	-	4,000
Filipino Church	4,000	—	—	4,000	5,000
Hartlepool, Headland	5,800	—	—	5,800	2,931
Hartlepool, West View	3,208	—	—	3,208	5,000
Marsden Road	5,800	—	—	5,800	1,333
North Shields	3,000	—	—	3,000	1,000
Portrack	3,500	—	—	3,500	5,000
Wallsend	4,000	—	—	4,000	5,000
<u>Mission project grants</u>					
Rowley	-	—	—	-	400
	43,354	-	-	43,354	44,826
Donations					
NECAT	600	—	—	600	600
Northumbria Industrial Mission	300	-	-	300	300
Baptist Historical Society	50	-	-	50	-
BMS World Mission – Assembly	71	—	—	71	-
Offering					
BUGB Home Mission – Assembly	71	—	—	71	-
Offering					
	44,446	-	-	44,446	45,726

8 Trustees' remuneration and expenses

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

	2021 £	2020 £
Salaries	62,066	62,400
Pension costs	6,716	6,749
Housing expenses	21,516	24,439
Travel expenses	4,582	4,592
	94,880	98,180

Rev. Dr J R Claydon acted as one of the Association's trustees until 31 August 2021 and received remuneration of £22,866, housing expenses of £8,109 and travel expenses of £274. In addition the Charity made pension contributions totalling £2,435.

Rev. G P Revill acts as one of the Association's trustees and received remuneration of £29,400, housing expenses of £12,229 and travel expenses of £2,971. In addition the Charity made pension contributions totalling £3,211.

Rev. H Young acts as one of the Association's trustees from 1 Sept 2021 and received remuneration of £9,800, housing expenses of £1,178 and travel expenses of £1,337. In addition the Charity made pension contributions totalling £1,070.

THE NORTHERN BAPTIST ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 December 2021

8 Trustees' remuneration and expenses (continued)

During the year, excluding expenses set out in the above table, further expenses of £190 were incurred by one Trustee. These expenses were in relation to travel and subsistence.

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

	Freehold land & buildings £	Fixtures, fittings and equipment £	Total 2021 £	Total 2020 £
At the beginning of the year	-	1,528	1,528	1,528
Additions	172,500	-	172,500	-
Disposals	-	878	878	-
At end of the year	172,500	650	173,150	1,528
		Depreciation and impairments		
		SL		
		50%		
At beginning of the year	-	1,528	1,528	1,338
Disposals	-	878	878	-
Depreciation	-	-	-	190
At end of the year	-	650	650	1,528
Net book value				
Net book value at the beginning of the year	-	-	-	190
Net book value at the end of the year	172,500	-	172,500	-

In 2021 the charity purchased a freehold property for £172,500. This property serves the purpose as a manse for the Transitional Strategic Leader.
The purchase was part funded by a £100,000 loan from the Yorkshire Baptist Association, repayable over 15 years.

THE NORTHERN BAPTIST ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 December 2021

10 Investments

	2021 £	2020 £
Cost		
At 1 January	3,160	3,158
Additions	2	2
Disposals	(807)	-
At 31 December	<u>2,355</u>	<u>3,160</u>

The investments are analysed as:-

	2021 £	2020 £
Baptist Insurance Company plc – 471 £5 shares fully paid	2,355	2,355
Baptist Union Corporation Loan	-	805
	<u>3,160</u>	<u>3,160</u>

11 Debtors

	2021 £	2020 £
Prepayments and other debtors	<u>-</u>	<u>-</u>

12 Cash at bank and in hand

	2021 £	2020 £
Unity Trust Bank plc	34,912	34,443
CCLA COIF Charities Deposit Fund	109,057	189,038
	<u>143,969</u>	<u>223,481</u>

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	8,555	3,276	93,781	
Other creditors	4,000	27,119	0	2,000
	<u>12,555</u>	<u>30,395</u>	<u>93,781</u>	<u>2,000</u>

THE NORTHERN BAPTIST ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 December 2021

14 Summary of fund movements

	Balance brought forward £	Incoming resources £	Outgoing resources £	Transfers £	Balance carried forward £
Unrestricted					
General Fund	73,354	183,591	(165,349)	(80,000)	11,596
Designated					
Benevolent Fund	266	—	—	—	266
Development Fund	110,132	—	—	(92,500)	17,632
Lithuania Fund	516	—	—	—	516
Mission Support Fund	8,464	—	—	—	8,464
Manse	—	—	—	172,500	172,500
NBA Ministers' Fellowship Fund	1,514	—	—	—	1,514
Restricted	—	4,685	(4,685)	—	—
	194,246	188,276	(170,034)	—	212,488

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.

Mission Support Fund

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

Manse

The manse is freehold land and buildings which is held with a view to furthering the objects of the charity.

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	172,500	—	28,392	—	—	200,892
Unrestricted funds	—	2,355	115,577	(106,336)	—	11,596
	-	2,355	143,969	(106,336)	—	212,488

THE NORTHERN BAPTIST ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 December 2021

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 £6,716 (2020 £6,751).

The Charity has also entered into a moral commitment to pay BUGB £2,000 for the year ending 31 December 2022 as the final part 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.

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 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 £316 million, giving a deficit of £18m (equivalent to a past service funding level of 94%). The Association and other participating employers in the DB Plan are collectively responsible for funding this deficit.

THE NORTHERN BAPTIST ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 December 2021

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
Minimum Pensionable Income Increase Adjustment (above CPI)	0.50
Assumed investment returns	
Pre-retirement (gilt yield plus 1.75% pa)	2.95
Post-retirement (including benefits matched by the insurance policy) (gilt yield plus 0.5% pa)	1.70
Minimum Pensionable Income Increases (CPI plus 0.5%)	3.20
Deferred pension increases (based on RPI)	
Pre April 2009	3.20
Post April 2009	2.50
Pensions in payment increases (CPI with annual floor of 0% and annual cap of 0.5%)	2.70

Mortality is assumed in accordance with 80% of the S3NA standard mortality table. Future improvements projected from 2013 in line with the "CMA 2019" projection with a long term 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 as at 31 December 2022.

Under the current Recovery Plan signed in September 2020, deficiency contributions are payable until June 2026. These contributions are broadly based on the employer's membership at 31 December 2014 and increase annually in line with increases to Minimum Pensionable Income as defined in the Rules.

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.

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 £27,803 of Home Mission grants during the year ending 31 December 2022 subject to certain conditions being satisfied.

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