

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

Charity Number 1092595

Company Number 4340889

ANNUAL REPORT
for the year ended 31 December 2022

THE NORTHERN BAPTIST ASSOCIATION

ANNUAL REPORT for the year ended 31 December 2022

CONTENTS

	<u>Page</u>
Contents	1
Statutory information	2
Combined Trustees' and Directors' report	3
Statement of Trustees' responsibilities	7
Report of the Independent Examiner	8
Statement of financial activities	9
Balance sheet	10
Notes to the financial statements	11

THE NORTHERN BAPTIST ASSOCIATION

STATUTORY INFORMATION

Directors and Trustees

Mrs J Buckle (*resigned April 2022*)
Rev J M Cooper (*resigned April 2022*)
Rev M Cross (*resigned April 2022*)
Rev P Dixon
Rev Caroline Friend
Mr J Hedges (*appointed April 2022*)
Mrs A J Hegarty
Mrs S Hinton (*appointed April 2022, resigned December 2022*)
Mrs J Holder (*appointed April 2022*)
Rev R Holland
Mrs P Hyde *BMS World Mission representative*
Mr G P Monument *Treasurer*
Rev V Pensacala
Rev G P Revill *Regional Minister (Mission Enabler)* (*resigned October 2022*)
Rev R Richardson *Home Mission Co-ordinator* (*resigned April 2022*)
Rev A V Ruddle *Moderator*
Mrs J Steel *Home Mission Co-ordinator* (*appointed April 2022*)
Mrs J Thoy (*resigned April 2022*)
Rev D P Tubby
Rev H Young *Regional Minister, Strategy and Transition*

Company secretary

Mrs C Cockerill (*appointed December 2022*)
Mr M Heaton (*resigned December 2022*)

Registered office

52-54 High Street
Northallerton
North Yorkshire DL7 8EG

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 2022

Structure, governance and management

The Northern Baptist Association (NBA) 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 NBA 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 as Directors and Trustees 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 NBA has reviewed and updated its mission statement to 'building together for God's Kingdom' underpinned by our values of being centred on mission; creative in approach; relational at the core; spirit-led in practice; committed to justice and seeking well-being. 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 NBA to further its charitable purposes for the public benefit.

Achievements and performance

In 2022 the focus of the NBA was to transition into an association which would relevantly support our stakeholders. This meant that in January 2022 the Trustees meet to discuss and discern the content of the 'listening phase' of transition which happened in the later part of 2021.

As a result of this listening and observing there are three views of the NBA:

- Everything is brilliant and nothing needs to change (25%)
- Disengagement with association because it is not relevant (62%)
- Hurt and pain caused by people within the NBA (13%)

THE NORTHERN BAPTIST ASSOCIATION

COMBINED TRUSTEES' AND DIRECTORS' REPORT for the year ended 31 December 2022

The listening period also allowed for feedback on all elements of association life including how ministers and churches were supported, governance and communication. A summary of the feedback can be found in our [Culture Review for 2021 on our website](#). The feedback in parts was difficult to read and this was because there were elements where the NBA had worked for a few and not developed over the 20 years.

It was important that the Vision and Values of the NBA came out of the listening and was separate to any staffing or financial review. This was because the values and vision should be the focus and once that was discerned then the structure needed to support it could then be discerned. Breaking this down into parts also allowed us to consult and reflect on the process.

The results of the listening period were presented openly and honestly and then part two of the report addressed the main issues, presenting several ways forward that the Trustees could consider.

This was a difficult process; as the views of Trustees were mixed and there was some reluctance to embrace the need to change away from a strong cultural commitment to the way that things had been done. There was a challenge for Trustees to address some of the governance and behaviour issues as some remained convinced that the culture of the NBA was positive.

The biggest development in the NBA was a move away from a long, complicated vision to a short strapline vision that everyone could engage with, underpinned by values that stated what the NBA wanted to be. This was an important change as it moves the NBA away from running like a large church to an association where churches and ministers/pioneers can plug in at different stages and levels. This removes competition with churches for time or resources, and enables the NBA to become a place that empowers and enables the local churches mission and resources.

The Trustees also decided that it would have a focus of specific priorities which would help churches and would be where the NBA used its resources. These priorities would be reflected on each year and then change how we engage with different stakeholders.

The vision and values, as well as priorities can be found on the [NBA website](#). These were then communicated to the NBA stakeholders at a vision evening online.

The overwhelming response to this has been positive. However, it is not universal and there remains a small group of churches and ministers (mainly retired ministers) who have struggled with this change and also that the NBA called a female Regional Minister (as they do not believe women should be in leadership).

As a result of the new values, and arising from the results of the listening process the Trustees agreed that it was right to make an apology for how people had been treated in the past in the NBA; as well as making a statement of intent that the NBA would be a place where all God's people can flourish. The Trustees felt this was important to acknowledge what had been shared and heard as well as emphasising our Baptist principles of local church discernment on some theological issues (like women in ministry). The NBA wants to be a place that includes churches with different theological views as well as showing a pastoral heart for those who are impacted by the theological differences. [You can read the apology and statement of intent here](#).

In the second part of the year; after the above had been communicated with the stakeholders, the NBA prioritised investigating the different ways that the values and priorities could be facilitated. This meant reviewing the staffing structure and whether our current team were the right people with the right gifts for the next phase of the life of the NBA.

This was not without its challenges and was not a personal reflection but looking at the purpose of roles, influenced by Phase One of the transition process. However, the backdrop to discerning the way forward was also the financial pressures on the NBA; as our only form of income is Home Mission Grants through Baptists Together.

THE NORTHERN BAPTIST ASSOCIATION

COMBINED TRUSTEES' AND DIRECTORS' REPORT for the year ended 31 December 2022

Associations are given one figure out of the common purse for the running of the association. This gives associations discernment on how best to use its resources between regional staff members, administration and mission grants to churches or missional communities. An association is given an amount that will support one Regional Minister for every 50 churches within administration support. The association then discerns how best to use the additional finances either on additional staff or mission grants to churches/missional communities.

The existing staffing structure had been in place for over 10 years, and was based on two Regional Ministers, one a Team Leader, one as a Mission Enabler. This fixed a greater proportion of the NBAs resources in staff costs and as the national Home Mission fund has fallen over time, the pressure has disproportionately fallen on the resources the NBA could make available in Home Mission Grants to churches to enable mission of the wider association. This meant that only a small amount could be given to churches in grants (£44,000 in 2021 and £30,000 in 2022) as a large proportion of costs were fixed within the current staffing structure.

Three different possibilities for staffing were presented to the Trustees to discern which was best for our stakeholders and delivered on our newly adopted values.

Trustees discerned to progress a model that has one full time Regional Minister, serving alongside leads in our priority areas. This model allows those in local church life to exercise trans-local ministry and make sure that funding is provided for Home Mission Grants, while enabling the vision and values of the NBA to be worked out across the churches and missional communities while supporting ministers, lay leaders and pioneers.

During the year the above transitions and developments have been made within the structure of the NBA while continuing the ongoing support for churches and ministers within the Association. We hosted an annual gathering for ministers; an AGM for churches and support sessions for churches seeking a new minister.

Trustees also considered their own structure and the historic use of co-option that had retained some Trustees beyond their original two-term period on Council as elected members. At the AGM we sought to address this to make room for others. Mrs Jackie Buckle stepped down from her role as Trustee and Rev John Cooper came to the end of his two terms as Trustee. In addition, Mr Mike Cross and Miss Jo Thoy were not re-appointed as co-opted members; and Rev Ray Richardson was not nominated by Council to be the Home Mission Representative.

Nominations from Council to the AGM were proposed as Dr Penny Hyde to be BMS representative; Mrs Jess Steel to be Home Mission Representative; and Mr Gavin Monument to be Treasurer. All of these are annual appointments. At the AGM in April, these nominations were approved and Rev Dave Tubby and Rev Tony Ruddle were re-elected for another term of three years. Mr Jonny Hedges, Mrs Susanna Hinton and Mrs Jen Holder were appointed as new Trustees.

In 2022 we saw 4 ministers moved into the NBA and settle in churches. We saw the Regional Minister: Mission Enabler leave post as a result of the transition.

We have secured third party funding for some of the mission and pioneering work in the NBA which started in January 2023. The NBA continued to work in partnership with Baptists Together and Baptist Insurance.

THE NORTHERN BAPTIST ASSOCIATION

COMBINED TRUSTEES' AND DIRECTORS' REPORT for the year ended 31 December 2022

Financial review

Key changes

This financial year has been one of significant change for the Association. We are grateful to Rev G P Revill, who left on 31 October, for serving as Mission Enabler for 8 years. We are also grateful for the work of Rev H Young for leading us on a turbulent journey of transition and change into an association that is more focussed on the needs of the churches it serves.

Income

During the year, total income of the Association increased by £27,300. This was primarily as a result of receiving funding of £43,000 from the Lady Hewley Trust and the Baptist Insurance Company to begin pioneering projects in 2023. In accordance with accounting policy this is recognised at the point it was received in 2022, and the grants to churches are shown as a commitment for 2023 within note 18. Baptists Together has confirmed a £21,000 clawback of 2022 funding due to pressure on the national Home Mission fund, predominantly driven by a significant underachievement of income from legacies. This has been partly offset by some additional funding received mid-year from Baptists Together.

Expenditure

The total expenditure of the Association decreased by £1,300. The main contributions to this were reductions in grants payable to churches and housing costs, the latter saw a large one-off increase in 2021 from the costs associated with the purchase of a manse. The manse was funded partly by a £100,000 loan from the Yorkshire Baptist Association, repayable over 15 years plus variable interest at 0.5% below the loan rate applied on loans by Baptists Together (average of 4.8% in 2022). Additional costs were seen through the return of travel and expenses to pre-COVID levels and one-off professional costs connected with the transition of our staffing structures and governance.

Net resources

The early receipt of pioneering income has had a significant impact on net resources. Unrestricted funds have increased to £58,500 (£11,600 in 2021), which is already committed to pioneering projects in 2023.

Looking ahead

Baptists Together have confirmed the Association's expected funding for 2023, which is again contingent on their performance. The NBA is currently in a stronger position following the successful bids for additional funding to support pioneering work, increasing our ability to support churches through grants to £79,000 (£30,000 in 2022). The loan repayment on the manse remains the only notable liability, which is funded through the budget that previously met the lease cost of the previous regional minister's home. Reducing the staffing structure to one Regional Minister also creates additional flexibility to target resources to meet the needs of our priority areas

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 H Young
Regional Minister, Strategy and Transition

24 April 2023

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 2022, which are set out on pages 9 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

24 April 2023

THE NORTHERN BAPTIST ASSOCIATION

STATEMENT OF FINANCIAL ACTIVITIES for the year ended 31 December 2022

		2022				2021			
	Note	Unrestricted £	Designated £	Restricted £	Total £	Unrestricted £	Designated £	Restricted £	Total £
INCOME AND ENDOWMENTS									
Donations and legacies	2	2,584	—	-	2,584	3,940	—	4,685	8,625
Investment income	3	1,282	—	—	1,282	221	—	—	221
Income from Charitable activities	4	152,868	—	—	152,868	166,748	—	—	166,748
Other income	5	58,887	-	—	58,887	12,683	-	—	12,683
Total income and endowments		215,621	-	-	215,621	183,591	-	4,685	188,276
EXPENDITURE									
Expenditure on Charitable activities	6	(168,710)	-	-	(168,710)	(165,349)	-	(4,685)	(170,034)
Total expenditure		(168,710)	-	-	(168,710)	(165,349)	-	(4,685)	(170,034)
Net income/(expense) for the year before transfers		46,911	-	—	46,911	18,242	-	—	18,242
Transfers between funds		-	-	—	-	(80,000)	80,000	—	-
Other gains									
Actuarial gains on defined benefit pension schemes	16	-	—	—	-	-	—	—	-
NET MOVEMENT IN FUNDS		46,911	-	—	46,911	(61,758)	80,000	—	18,242
Total funds brought forward		11,596	200,892	—	212,488	73,354	120,892	—	194,246
TOTAL FUNDS CARRIED FORWARD		58,507	200,892	—	259,399	11,596	200,892	—	212,488

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 2022

	Note	2022 £	2022 £	2021 £	2021 £
FIXED ASSETS					
Tangible fixed assets	9	172,714		172,500	
Investments	10	<u>2,355</u>		<u>2,355</u>	
			175,069		174,855
CURRENT ASSETS					
Debtors	11	-		-	
Cash at bank and in hand	12	<u>201,586</u>		<u>143,969</u>	
		201,586		143,969	
CURRENT LIABILITIES					
Creditors	13	<u>(117,256)</u>		<u>(106,336)</u>	
NET CURRENT ASSETS			84,330		37,633
NET ASSETS			<u>259,399</u>		<u>212,488</u>
CHARITY FUNDS					
Endowment	14	-		-	
Restricted	14	-		-	
Designated	14	200,892		200,892	
Unrestricted	14	<u>58,507</u>		<u>11,596</u>	
TOTAL CHARITY FUNDS	15	<u>259,399</u>		<u>212,488</u>	

For the year ended 31 December 2022, 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 19 form an integral part of these financial statements.

These financial statements were approved by the Directors on 24 April 2023 and signed on their behalf by:



Rev H Young
Regional Minister, Strategy and Transition
Company number: 4340889



Mr G P Monument
Director

THE NORTHERN BAPTIST ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2022

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 anticipated to be 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 2022

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 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. The Association settled its deficit to this pension plan in 2019.

2 Donations and legacies

	Unrestricted £	Designated £	Restricted £	Total 2022 £	Total 2021 £
Donations and legacies	1,098	—	-	1,098	6,307
Assembly income	70	—	—	70	515
Contributions to preaching costs	1,416	—	—	1,416	1,803
	2,584	—	-	2,584	8,625

During the year ended 31 December 2021 £3,940 of the income related to unrestricted funds and £4,685 to restricted funds.

THE NORTHERN BAPTIST ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 December 2022

3 Investment income

	Unrestricted £	Designated £	Restricted £	Total 2022 £	Total 2021 £
CCLA COIF Charities	1,082	–	–	1,082	19
Deposit Fund interest					
Loan interest	200	–	–	200	202
	1,282	–	–	1,282	221

During the year ended 31 December 2021 all of the income related to unrestricted funds.

4 Income from charitable activities

	Unrestricted £	Designated £	Restricted £	Total 2022 £	Total 2021 £
Baptist Union of Great Britain					
Core Funding	152,868	–	–	152,868	166,748
	152,868	–	–	152,868	166,748

During the year ended 31 December 2021 all of the income related to unrestricted funds.

5 Other income

	Unrestricted £	Designated £	Restricted £	Total 2022 £	Total 2021 £
Grant from Lady Hewley Trust	36,682	–	–	36,682	12,663
Other grants	18,232	-	-	18,232	-
Course Fee Income	3,596	-	-	3,596	-
Other income	377	-	–	377	20
	58,887	-	–	58,887	12,683

During the year ended 31 December 2021 all of the income related to unrestricted funds.

THE NORTHERN BAPTIST ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 December 2022

6 Expenditure on Charitable activities

	Unrestricted £	Designated £	Restricted £	Total 2022 £	Total 2021 £
Grants payable	30,074	—	—	30,074	44,446
Staff salaries	77,144	—	—	77,144	70,286
Employer's National Insurance	1,349	—	—	1,349	1,780
Employer's pension contributions	7,790	—	—	7,790	6,716
Housing expenses	15,475	—	—	15,475	21,516
Manse purchase costs	-	—	—	-	7,188
Conferences and courses	3,199	—	—	3,199	957
Travel expenses	11,353	—	—	11,353	4,782
Committee travel and expenses	124	—	—	124	190
NBA Gatherings	376	—	—	376	175
Loan repayments	4,762	—	—	4,762	2,267
Professional services	6,665	—	—	6,665	-
Other expenses	6,291	—	—	6,291	6,369
	164,602	—	—	164,602	166,672
<i>Support costs:</i>					
Telephone, stationery, postage	2,175	—	—	2,175	1,714
Depreciation of equipment	215	—	—	215	-
Insurance	1,718	—	—	1,718	1,648
	168,710	-	-	168,710	170,034

During the year ended 31 December 2021, £165,349 related to unrestricted funds and £4,685 related to restricted funds. The average number of employees during the year was 3 (2021: 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 2022

7 Grants and donations payable

	Unrestricted £	Designated £	Restricted £	Total 2022 £	Total 2021 £
Home Mission grants					
<u>Annual grants</u>					
Berwick	6,500	—	—	6,500	6,300
Blackhill	3,000	—	—	3,000	4,000
College Tutor	3,803	—	—	3,803	3,746
Filipino Church	-	—	—	-	4,000
Hartlepool, Headland	9,371	—	—	9,371	5,800
Hartlepool, West View	-	—	—	-	3,208
Marsden Road	4,000	—	—	4,000	5,800
North Shields	-	—	—	-	3,000
Portrack	-	—	—	-	3,500
Wallsend	2,500	—	—	2,500	4,000
	29,174	—	—	29,174	43,354
Donations					
NECAT	600	—	—	600	600
Northumbria Industrial Mission	300	—	—	300	300
	30,074	—	—	30,074	44,446

8 Trustees' remuneration and expenses

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

	2022 £	2021 £
Salaries	71,865	62,066
Pension costs	7,531	6,716
Housing expenses	15,475	21,516
Travel expenses	11,399	4,582
	106,270	94,880

Rev G P Revill acted as one of the Association's Trustees and received remuneration of £39,600, housing expenses of £12,671 and travel expenses of £4,091. In addition the Charity made pension contributions totalling £4,070.

Rev H Young acts as one of the Association's Trustees and received remuneration of £32,265, housing expenses of £2,804 and travel expenses of £7,308. In addition the Charity made pension contributions totalling £3,461.

The Trustees incurred termination costs totalling £14,850 in 2022 (£0 in 2021) as payment in lieu of notice. Termination costs are recognised in the accounts at their settlement date.

During the year, excluding expenses set out in the above table, further expenses totalling £117 were incurred by four Trustees. These expenses were in relation to travel and subsistence.

The Trustees are the key management personnel of the Charity.

The pension costs relate to employer contributions to the Defined Contribution plan within the Baptist Pension Scheme.

THE NORTHERN BAPTIST ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 December 2022

9 Tangible fixed assets

	Freehold land & buildings £	Fixtures, fittings and equipment £	Total 2022 £	Total 2021 £
At the beginning of the year	172,500	650	173,150	1,528
Additions	-	429	429	172,500
Disposals	-	-	-	(878)
At end of the year	172,500	1,079	173,579	173,150

	Depreciation and impairments			
Basis Rate	None	SL 50%		
At beginning of the year	-	650	650	1,528
Disposals	-	-	-	(878)
Depreciation	-	215	215	-
At end of the year	-	865	865	650

Net book value

Net book value at the beginning of the year	172,500	-	172,500	-
Net book value at the end of the year	172,500	214	172,714	172,500

In 2021, the charity purchased a freehold property for £172,500. This property serves the purpose as a manse for the Regional Minister, Strategy and Transition. The costs associated with the manse purchase were charged in full to the 2021 accounts. The purchase was part funded by a £100,000 loan from the Yorkshire Baptist Association (YBA), repayable over 15 years (see note 13).

10 Investments

	2022 £	2021 £
Cost		
At 1 January	2,355	3,160
Additions	-	2
Disposals	-	(807)
At 31 December	<u>2,355</u>	<u>2,355</u>

The investments are analysed as:-

	2022 £	2021 £
Baptist Insurance Company plc – 471 £5 shares fully paid	2,355	2,355
	<u>2,355</u>	<u>2,355</u>

THE NORTHERN BAPTIST ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 December 2022

11 Debtors

	2022 £	2021 £
Prepayments and other debtors	–	–

12 Cash at bank and in hand

	2022 £	2021 £
Unity Trust Bank plc	91,465	34,912
CCLA COIF Charities	110,121	109,057
Deposit Fund		
	201,586	143,969

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	571	2,755	–	–
Loan from YBA	5,123	5,800	90,539	93,781
Baptists Together clawback	21,023			
Other creditors	–	4,000	0	0
	26,717	12,555	90,539	93,781

14 Summary of fund movements

	Balance brought forward £	Incoming resources £	Outgoing resources £	Transfers £	Balance carried forward £
Unrestricted					
General Fund	11,596	215,621	(168,710)	–	58,507
Designated					
Benevolent Fund	266	–	–	(266)	–
Development Fund	17,632	–	–	(17,632)	–
Lithuania Fund	516	–	–	(516)	–
Mission Support Fund	8,464	–	–	19,928	28,392
Manse	172,500	–	–	–	172,500
NBA Ministers' Fellowship Fund	1,514	–	–	(1,514)	–
Restricted					
	–	–	–	–	–
	212,488	215,621	(168,710)	–	259,399

Mission Support Fund

In 2022 Trustees agreed to consolidate all historical Designated funds into a single Mission Support Fund. This is part of the implementation of a transitional plan for the NBA to a future funding model with a priority focus on supporting mission work through the churches within the NBA.

Manse

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

THE NORTHERN BAPTIST ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 December 2022

15 Analysis of net assets

	Fixed assets	Investments	Current assets	Current liabilities	Provisions	Total
	£	£	£	£	£	£
Endowment funds	—	—	—	—	—	—
Restricted funds	—	—	—	—	—	—
Designated funds	172,500	—	39,988	—	—	212,488
Unrestricted funds	214	2,355	161,598	(117,256)	—	46,911
	172,714	2,355	201,586	(117,256)	—	259,399

16 Pensions

Baptist Pension Scheme

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

The Ministers and staff employed by the Association 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.

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 and now has no further obligations to the DB Plan within the Scheme.

From January 2012, pension provision is being made through the Defined Contribution (DC) Plan within the Scheme. In general, members pay 8% of their Pensionable Income and employers pay 6% of members' Pensionable Income into individual pension accounts, which are operated and managed on behalf of the Pension Trustee by 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%.

The total Defined Contribution pension cost for the Association for the year is £7,812 (2021 £6,716).

The Charity has also concluded its moral commitment to pay BUGB £2,000 for the year ending 31 December 2022 to support the 'Family Solution' for reducing the deficit on the DB Plan within the Scheme.

THE NORTHERN BAPTIST ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 December 2022

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 £79,048 of Home Mission grants during the year ending 31 December 2023 subject to certain conditions being satisfied.

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