

SOUTH EASTERN BAPTIST ASSOCIATION

England & Wales · Charity number 1093252

Details

Other names	SOUTH EAST BAPTIST PARTNERSHIP, SOUTH EASTERN BAPTIST ASSOCIATION
Status	Registered
Legal form	Charitable company
Company number	04292136
Registered	2002-08-01
Register	View on the Charity Commission register

Contact

Address	17 Cherry Close Burgess Hill RH15 9PR
Phone	01444233431
Email	admin@seba-baptist.org.uk
Website	www.seba-baptist.org.uk

Activities

Objects: THE ADVANCEMENT OF THE CHRISTIAN RELIGION ESPECIALLY BY THE MEANS OF AND IN ACCORDANCE WITH THE PRINCIPLES OF THE BAPTIST DENOMINATION AS SET OUT FOR THE TIME BEING IN THE DECLARATION OF PRINCIPLE OF THE BAPTIST UNION OF GREAT BRITAIN.

Activities: The advancement of the Christian religion, especially by means of and in accordance with the principles of the Baptist denomination as set out for the time being in the Declaration of Principles of the Baptist Union of Great Britain. This has been our activity during 2018 and will continue to be so throughout 2020.

Classification

- **How:** Makes Grants To Organisations, Provides Human Resources, Provides Services, Acts As An Umbrella Or Resource Body
- **What:** Education/training, Religious Activities
- **Who:** Children/young People, Other Charities Or Voluntary Bodies, The General Public/mankind

Geography

- **Area of benefit:** KENT, SUSSEX, SURREY, HAMPSHIRE.
- East Sussex
- Hampshire
- Kent
- Surrey
- West Sussex

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£656,207	£454,169	£1,815,318	10
2023-12-31	£567,060	£506,475	£1,609,811	9
2022-12-31	£399,166	£711,148	-	-
2021-12-31	£524,669	£397,910	£1,767,600	10
2020-12-31	£662,688	£442,049	£1,561,303	9

Trustees

Name	Role	Appointed
Rev PETER JAMES BUTCHERS	Chair	2023-03-15
Cassandra Louise Fisk		2023-10-01
DAVID TOMLINSON		2026-03-18
Rev Jeremy Newson		2022-08-01
Rev Jonathan Edward Hardwick		2016-09-22
Rev Luciana Damascena		2025-11-12

Accounts

**SOUTH EASTERN BAPTIST
ASSOCIATION**

(A company limited by guarantee)

UNAUDITED

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

SOUTH EASTERN BAPTIST ASSOCIATION
(A company limited by guarantee)

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SOUTH EASTERN BAPTIST ASSOCIATION
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 DECEMBER 2024

Trustees	Mr M F Browning (resigned 31 March 2025) Revd P J Butchers Revd M J Fanstone (resigned 31 March 2025) Revd J E Hardwick Revd J G Newson Revd N Richardson Mrs C L Fisk
Company registered number	04292136
Charity registered number	1093252
Registered office	17 Cherry Close Burgess Hill West Sussex RH15 9PR
Senior Management Team	Revd P J Butchers - Moderator Mrs C L Fisk - Treasurer Revd J L Hunt - Team Leader & Regional Minister Mr R Stanford Beale - Operations Manager
Independent Examiner	Magee Gammon Chartered Accountants Henwood House Henwood Ashford Kent TN24 8DH

SOUTH EASTERN BAPTIST ASSOCIATION
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2024

The Trustees present their annual report together with the financial statements of the Charity for the year 1 January 2024 to 31 December 2024. The Annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the Charity qualifies as small under section 382 of the Companies Act 2006, the Strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Objectives and activities

a. Policies and objectives

The objects of the charity are to advance the Christian religion, especially by means of and in accordance with the principles of the Baptist denomination as set out for the time being in the Declaration of Principles of the Baptist Union of Great Britain.

The principal activities continue to be the resourcing and envisioning of ministers and churches throughout the whole area. This is mainly achieved through personal contacts, pastoral care, and the encouragement of strategies which will achieve an expanded Christian witness and the stated objectives of the charity.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

Achievements and performance

a. Main achievements of the Charity

Throughout 2024 the Association continued to support its member churches in a wide range of activities including:

- Communication, including the provision of religious material via the Association's website: www.seba-baptist.org.uk;
- Promoting the study of religious teachings, practices and scriptures;
- Support of religious office holders, e.g. ministers, deacons and elders of member churches;
- Promoting prayer, praise and provision of training events;
- Pastoral support to ministers and church congregations;
- Contributing to the spiritual and moral education of children and young people and the provision of training;
- Comply with the legal requirements regarding safeguarding.

The residential conference for ministers and church leaders held in 2023 and 2024 continues to be a well received time of ministry and fellowship for our wider church network, and this will be continued into 2025 and beyond.

SOUTH EASTERN BAPTIST ASSOCIATION
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024

Financial review

a. Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

b. Reserves policy

It is the policy of the charity to seek to maintain a level of reserves sufficient to cover 6 months' running costs.

c. General review

The results of the year are set out on pages 6 to 9.

The trustees consider the fund balance at 31 December 2024 to be satisfactory and the level of reserves meets the charity's reserves policy. The inclusion of the defined benefit liability to the multi-employer pension scheme is reflected in the Balance Sheet.

At the year end the Association Building Loan Fund totalled £250,000 (2023: £521,980). No new loans (2023: £Nil) were made during the year. During 2024 the Loan Fund assisted 7 churches (2023: 8). As part of a review of the wider financial structure, the Trustees deemed it appropriate to reduce the fund to £250,000, to reflect the reduction in loans over the prior years and the shift away from granting loans. The Trustees therefore transferred £271,980 from this pot to General Funds. The total amount of loans outstanding at the year-end was £114,344 (2023: £131,244).

The total funds held by the charity at the end of the financial period amounted to £1,815,318 (2023: £1,609,811) of which restricted funds not available for the general purpose of the charity amounted to £164,667 (2023: £164,667).

Structure, governance and management

a. Constitution

South Eastern Baptist Association is a company limited by guarantee and a registered charity. It is governed by its Memorandum and Articles of Association.

b. Methods of appointment or election of Trustees

The management of the Charity is the responsibility of the Trustees who are elected and co-opted under the terms of the Trust deed.

The power to appoint up to 5 trustees is vested in the member churches; the Moderator and the Treasurer are also appointed by the member churches, up to 3 trustees may be co-opted by the Board of Trustees as a whole.

SOUTH EASTERN BAPTIST ASSOCIATION
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024

Structure, governance and management (continued)

c. Organisational structure and decision-making policies

The Board of Trustees is responsible for all aspects of the management and running of the charity and holds regular meetings in furtherance of those responsibilities. The Trustees are supported in their work by the Operations Team, the Leadership Team and the Finance Committee. The Operations Team, comprising the paid staff team, work together to further the charity's aims and objectives. The Leadership team, made up of a mixture of paid staff and volunteer ministers from our Networks, meet together to steer the Association and focus its ministry aims. The Finance Committee, made up of Trustees, paid staff and volunteers, oversee the charity's position and financial governance.

d. Policies adopted for the induction and training of Trustees

All serving trustees understand the methods and purpose of the charity. All new trustees are given sufficient training upon appointment and new guidance is notified and made available at Board meetings.

Plans for future periods

The charity plans to continue to carry out its current objectives and activities and to seek further ways in which these can be more fully utilised.

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the Charity for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charity and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the members of the board of Trustees on 26 September 2025 and signed on their behalf by:



Revd P J Butchers
Chair

SOUTH EASTERN BAPTIST ASSOCIATION
(A company limited by guarantee)

INDEPENDENT EXAMINER'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2024

Independent examiner's report to the Trustees of South Eastern Baptist Association ('the Charity')

I report to the charity Trustees on my examination of the accounts of the Charity for the year ended 31 December 2024.

Responsibilities and basis of report

As the Trustees of the Charity (and its directors 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 Charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the Charity's accounts 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

Since the Charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of ICAEW, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Charity as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act 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
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

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.

Signed: *R G Parry*

Dated: 26 September 2025

Mr R G Parry FCA

Magee Gammon
Chartered Accountants
Henwood House
Henwood
Ashford
Kent
TN24 8DH

SOUTH EASTERN BAPTIST ASSOCIATION
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2024**

		Restricted funds 2024	Unrestricted funds 2024	Total funds 2024	<i>Total funds 2023</i>
	Note				
Income from:					
Donations and legacies	3	-	550,636	550,636	476,818
Other trading activities	4	-	10,713	10,713	11,113
Investments	5	-	63,105	63,105	47,976
Other income	6	-	31,753	31,753	31,153
Total income		-	656,207	656,207	567,060
Expenditure on:					
Charitable activities	7	-	454,169	454,169	506,475
Total expenditure		-	454,169	454,169	506,475
Net income before net gains on investments		-	202,038	202,038	60,585
Net gains on investments		-	3,469	3,469	11,696
Net income before taxation		-	205,507	205,507	72,281
Net income		-	205,507	205,507	72,281
Net movement in funds before other recognised gains/(losses)		-	205,507	205,507	72,281
Other recognised gains/(losses):					
Gains on revaluation of fixed assets		-	-	-	19,750
Net movement in funds		-	205,507	205,507	92,031
Reconciliation of funds:					
Total funds brought forward		164,667	1,445,144	1,609,811	1,517,780
Net movement in funds		-	205,507	205,507	92,031
Total funds carried forward		164,667	1,650,651	1,815,318	1,609,811

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 10 to 28 form part of these financial statements.

SOUTH EASTERN BAPTIST ASSOCIATION

(A company limited by guarantee)

REGISTERED NUMBER: 04292136

**BALANCE SHEET
AS AT 31 DECEMBER 2024**

		2024	2023
	Note		
Fixed assets			
Tangible assets	12	2,927	2,992
Investments	14	167,273	163,804
Investment property	13	582,250	582,250
		752,450	749,046
Current assets			
Debtors	15	185,819	159,221
Cash at bank and in hand		904,633	722,755
		1,090,452	881,976
Creditors: amounts falling due within one year	16	(27,584)	(21,211)
Net current assets		1,062,868	860,765
Total assets less current liabilities			
		1,815,318	1,609,811
Total net assets			
		1,815,318	1,609,811
Charity funds			
Restricted funds	19	164,667	164,667
Unrestricted funds	19	1,650,651	1,445,144
Total funds		1,815,318	1,609,811

SOUTH EASTERN BAPTIST ASSOCIATION

(A company limited by guarantee)

REGISTERED NUMBER: 04292136

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2024

The Charity was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees on 26 September 2025 and signed on their behalf by:



Revd P J Butchers

Chair

The notes on pages 10 to 28 form part of these financial statements.

SOUTH EASTERN BAPTIST ASSOCIATION
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024

	2024	2023
Cash flows from operating activities		
Net cash used in operating activities	118,773	(58,354)
Cash flows from investing activities		
Dividends, interests and rents from investments	63,105	47,976
Net cash provided by investing activities	63,105	47,976
Change in cash and cash equivalents in the year	181,878	(10,378)
Cash and cash equivalents at the beginning of the year	722,755	733,133
Cash and cash equivalents at the end of the year	904,633	722,755

The notes on pages 10 to 28 form part of these financial statements

SOUTH EASTERN BAPTIST ASSOCIATION
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

1. General information

South Eastern Baptist Association is a charity registered in England and Wales under the number 1093252. The principle office is 17 Cherry Close, Burgess Hill, RH15 9PR.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

South Eastern Baptist Association meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

2.2 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

2.3 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

SOUTH EASTERN BAPTIST ASSOCIATION
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

2. Accounting policies (continued)

2.4 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.5 Tangible fixed assets and depreciation

Tangible fixed assets costing £500 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Freehold property	- On a straight-line basis over 50 years
Fixtures and fittings	- 100% write off immediately

2.6 Investment Property

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

2.7 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of financial activities.

Investments in subsidiaries are valued at cost less provision for impairment.

2.8 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.9 Cash at bank and in hand

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

SOUTH EASTERN BAPTIST ASSOCIATION
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

2. Accounting policies (continued)

2.10 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of financial activities as a finance cost.

2.11 Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.12 Pensions

The Charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Charity to the fund in respect of the year.

The Charity is a member of a multi-employer plan. Where it is not possible for the Charity to obtain sufficient information to enable it to account for the plan as a defined benefit plan, it accounts for the plan as a defined contribution plan.

2.13 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity 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.

Investment income, gains and losses are allocated to the appropriate fund.

SOUTH EASTERN BAPTIST ASSOCIATION
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

3. Income from donations and legacies

	Restricted funds 2024	Unrestricted funds 2024	Total funds 2024	<i>Total funds 2023</i>
Donations	-	-	-	17,467
Preaching fees	-	5,636	5,636	4,190
Donations from other charities	-	19,491	19,491	13,578
Home Mission fund grant	-	265,382	265,382	250,077
Other income	-	250,567	250,567	191,506
Donations from subsidiaries	-	9,560	9,560	-
	-	550,636	550,636	476,818
<i>Total 2023</i>	<i>17,467</i>	<i>459,351</i>	<i>476,818</i>	

4. Income from other trading activities

Income from fundraising events

	Unrestricted funds 2024	Total funds 2024	<i>Total funds 2023</i>
Membership subscriptions	10,713	10,713	11,113
	10,713	10,713	11,113
<i>Total 2023</i>	<i>11,113</i>	<i>11,113</i>	

SOUTH EASTERN BAPTIST ASSOCIATION
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

5. Investment income

	Unrestricted funds 2024	Total funds 2024	<i>Total funds 2023</i>
Dividend income	1,330	1,330	1,294
Interest income	12,283	12,283	6,612
Rental income	49,492	49,492	40,070
	63,105	63,105	47,976
<i>Total 2023</i>	47,976	47,976	

6. Other incoming resources

	Unrestricted funds 2024	Total funds 2024	<i>Total funds 2023</i>
Other income	268	268	2,394
Conference and training fees	31,485	31,485	28,759
	31,753	31,753	31,153
<i>Total 2023</i>	31,153	31,153	

7. Analysis of expenditure on charitable activities

Summary by fund type

	Restricted funds 2024	Unrestricted funds 2024	Total 2024	<i>Total 2023</i>
Expenditure on charitable activities	-	454,169	454,169	506,475
	-	454,169	454,169	506,475
<i>Total 2023</i>	131,058	375,417	506,475	

SOUTH EASTERN BAPTIST ASSOCIATION
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

8. Analysis of expenditure by activities

	Activities undertaken directly 2024	Support costs 2024	Total funds 2024	<i>Total funds 2023</i>
Expenditure on charitable activities	419,920	34,249	454,169	506,475
	<u>419,920</u>	<u>34,249</u>	<u>454,169</u>	<u>506,475</u>
<i>Total 2023</i>	<u>469,713</u>	<u>36,762</u>	<u>506,475</u>	

Analysis of direct costs

	General Funds 2024	Total funds 2024	<i>Total funds 2023</i>
Staff costs	229,776	229,776	173,035
Council tax and rates	10,503	10,503	9,762
Property maintenance	420	420	69,065
Small equipment	-	-	23
Training and conferences	25,394	25,394	18,817
Travelling	21,889	21,889	17,336
Housing allowance	42,800	42,800	32,400
Sundry expenses	359	359	7,638
Ministry grant paid	83,489	83,489	135,396
Printing, postage and stationery	-	-	108
Accountancy fees	5,225	5,225	6,068
Depreciation	65	65	65
	<u>419,920</u>	<u>419,920</u>	<u>469,713</u>
<i>Total 2023</i>	<u>469,713</u>	<u>469,713</u>	

SOUTH EASTERN BAPTIST ASSOCIATION
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

8. Analysis of expenditure by activities (continued)

Analysis of support costs

	General Funds 2024	Total funds 2024	<i>Total funds 2023</i>
Rental property	13,372	13,372	12,964
Insurance	3,079	3,079	1,841
Equipment	3,972	3,972	3,629
Telephone	3,130	3,130	2,967
Printing, postage and stationery	1,553	1,553	1,255
Trade subscriptions	4,198	4,198	3,534
Sundry expenses	4,321	4,321	6,075
Travel	369	369	426
Board costs	245	245	296
Interest payable	10	10	12
Bad debts	-	-	3,763
	34,249	34,249	36,762
<i>Total 2023</i>	36,762	36,762	

9. Independent examiner's remuneration

	2024	<i>2023</i>
Fees payable to the Charity's independent examiner for the independent examination of the Charity's annual accounts	3,830	4,920

SOUTH EASTERN BAPTIST ASSOCIATION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

10. Staff costs

	2024	<i>2023</i>
Wages and salaries	196,919	<i>150,187</i>
Social security costs	11,352	<i>6,554</i>
Contribution to defined contribution pension schemes	21,505	<i>16,294</i>
	<u>229,776</u>	<u><i>173,035</i></u>

The average number of persons employed by the Charity during the year was as follows:

	2024 No.	<i>2023 No.</i>
Full Time Staff	3	<i>3</i>
Part Time Staff	7	<i>6</i>
	<u>10</u>	<u><i>9</i></u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2024 No.	<i>2023 No.</i>
In the band £60,001 - £70,000	-	<i>1</i>

The key management of the association comprise of the senior management team noted on page 1. The total employee benefits of the key management personnel of the charity were £76,294 (2023: £77,722). Included in this amount is Revd J L Hunt's housing allowance of £16,800 for the full year.

11. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2023 - £19,730).

During the year ended 31 December 2024, expenses totalling £1,042 were reimbursed or paid directly to 4 Trustees (2023 - £4,571 to 6 Trustees).

SOUTH EASTERN BAPTIST ASSOCIATION
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

12. Tangible fixed assets

	Freehold property	Fixtures and fittings	Total
Cost or valuation			
At 1 January 2024	3,252	4,919	8,171
At 31 December 2024	<u>3,252</u>	<u>4,919</u>	<u>8,171</u>
Depreciation			
At 1 January 2024	260	4,919	5,179
Charge for the year	65	-	65
At 31 December 2024	<u>325</u>	<u>4,919</u>	<u>5,244</u>
Net book value			
At 31 December 2024	<u>2,927</u>	-	<u>2,927</u>
At 31 December 2023	<u>2,992</u>	-	<u>2,992</u>

13. Investment property

	Freehold investment property
Valuation	
At 1 January 2024	582,250
At 31 December 2024	<u>582,250</u>

SOUTH EASTERN BAPTIST ASSOCIATION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

14. Fixed asset investments

	Investments in subsidiary companies	Listed investments	Unlisted investments	Total
Cost or valuation				
At 1 January 2024	10	151,779	12,015	163,804
Revaluations	-	3,469	-	3,469
At 31 December 2024	<u>10</u>	<u>155,248</u>	<u>12,015</u>	<u>167,273</u>
Net book value				
At 31 December 2024	10	155,248	12,015	167,273
At 31 December 2023	<u>10</u>	<u>151,779</u>	<u>12,015</u>	<u>163,804</u>

All investments are held in the UK.

The unlisted investment relates to 2,403 ordinary shares held in Baptist Insurance Company Plc (registered company number 00083597) a public company limited by shares. As these shares are not actively traded through Stock Markets, no market value can be obtained, resulting in the shares being valued at historic cost.

15. Debtors

	2024	2023
Due within one year		
Loans to churches	114,344	131,244
Prepayments and accrued income	65,832	22,334
Other debtors	5,643	5,643
	<u>185,819</u>	<u>159,221</u>

16. Creditors: Amounts falling due within one year

	2024	2023
Trade creditors	925	-
Pension fund loan payable	250	299
Accruals and deferred income	26,409	20,912
	<u>27,584</u>	<u>21,211</u>

SOUTH EASTERN BAPTIST ASSOCIATION
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

17. Deferred income

	2024	2023
Deferred income at 1 January 2024	8,661	37,382
Amounts released from previous periods	(8,661)	(37,382)
Resources deferred during the year	14,764	8,661
Deferred income at 31 December 2024	14,764	8,661

18. Pension commitments

In 2022 Just Retirement Limited bought out the assets and liabilities of the Baptist Pension Scheme and the scheme no longer has a shortfall. As such and as a participating employer the South Eastern Baptist Association is no longer required to contribute to the pension scheme. There was an existing deficit recovery plan of a nominal £1 per month which ceased on 31 October 2024. As from 31 October 2024 the employer has been released from its commitments regarding this scheme.

The Scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. As it is not possible to attribute the Scheme's assets and liabilities to specific employers, the scheme is accounted for as if it were a defined contribution scheme.

The Charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £21,505 (2023 - £16,294). Contributions totalling £250 (2023 - £299) were payable to the fund at the balance sheet date and are included in creditors.

SOUTH EASTERN BAPTIST ASSOCIATION
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

19. Statement of funds

Statement of funds - current year

	Balance at 1 January 2024	Income	Expenditure	Transfers in/out	Gains/ (Losses)	Balance at 31 December 2024
Unrestricted funds						
Designated funds						
Building loan fund	521,980	-	-	(271,980)	-	250,000
Capital reserve	250,883	-	-	-	-	250,883
Zion fund	75,000	-	-	-	-	75,000
	<u>847,863</u>	<u>-</u>	<u>-</u>	<u>(271,980)</u>	<u>-</u>	<u>575,883</u>
General funds						
Revaluation reserve	99,144	-	-	-	-	99,144
Unrestricted income fund	498,137	656,207	(454,169)	271,980	3,469	975,624
	<u>597,281</u>	<u>656,207</u>	<u>(454,169)</u>	<u>271,980</u>	<u>3,469</u>	<u>1,074,768</u>
Total Unrestricted funds	<u>1,445,144</u>	<u>656,207</u>	<u>(454,169)</u>	<u>-</u>	<u>3,469</u>	<u>1,650,651</u>
Restricted funds						
Cavendish fund	88,193	-	-	-	-	88,193
Brasted fund	74,205	-	-	-	-	74,205
Fresh Expressions	161	-	-	-	-	161
Kent Union fund	2,108	-	-	-	-	2,108
	<u>164,667</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>164,667</u>
Total of funds	<u>1,609,811</u>	<u>656,207</u>	<u>(454,169)</u>	<u>-</u>	<u>3,469</u>	<u>1,815,318</u>

SOUTH EASTERN BAPTIST ASSOCIATION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

19. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 January 2023</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers in/out</i>	<i>Gains/ (Losses)</i>	<i>Balance at 31 December 2023</i>
Unrestricted funds						
Designated funds						
Home Mission grant for missions	(57,386)	-	-	57,386	-	-
Building loan fund	521,980	-	-	-	-	521,980
Capital reserve	250,883	-	-	-	-	250,883
Investment reserve	7,065	-	-	(7,065)	-	-
Zion fund	75,000	-	-	-	-	75,000
The Evangelism fund	14,765	-	-	(14,765)	-	-
Le Ferve	3,287	-	-	(3,287)	-	-
	<u>815,594</u>	<u>-</u>	<u>-</u>	<u>32,269</u>	<u>-</u>	<u>847,863</u>
General funds						
Revaluation reserve	79,394	-	-	-	19,750	99,144
Unrestricted income fund	411,283	549,593	(375,417)	(99,018)	11,696	498,137
	<u>490,677</u>	<u>549,593</u>	<u>(375,417)</u>	<u>(99,018)</u>	<u>31,446</u>	<u>597,281</u>
Total Unrestricted funds	<u>1,306,271</u>	<u>549,593</u>	<u>(375,417)</u>	<u>(66,749)</u>	<u>31,446</u>	<u>1,445,144</u>

SOUTH EASTERN BAPTIST ASSOCIATION
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

19. Statement of funds (continued)

	<i>Balance at 1 January 2023</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers in/out</i>	<i>Gains/ (Losses)</i>	<i>Balance at 31 December 2023</i>
Restricted funds						
Cavendish fund	88,193	-	-	-	-	88,193
Brasted fund	74,205	-	-	-	-	74,205
Fresh Expressions	161	-	-	-	-	161
Kent Union fund	2,108	-	-	-	-	2,108
Kent Thameside Church Planting Project	28,506	15,804	(53,517)	9,207	-	-
Baptist Grant	6,931	-	-	(6,931)	-	-
Northfleet Project	-	1,623	(5,037)	3,414	-	-
KTCP Bus Project	11,405	-	(11,405)	-	-	-
Bread of Life Project	-	40	(61,099)	61,059	-	-
	<u>211,509</u>	<u>17,467</u>	<u>(131,058)</u>	<u>66,749</u>	<u>-</u>	<u>164,667</u>
Total of funds	<u><u>1,517,780</u></u>	<u><u>567,060</u></u>	<u><u>(506,475)</u></u>	<u><u>-</u></u>	<u><u>31,446</u></u>	<u><u>1,609,811</u></u>

SOUTH EASTERN BAPTIST ASSOCIATION
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

19. Statement of funds (continued)

The specific purposes for which the funds are to be applied are as follows:

Designated Funds

Building loan fund - Monies designated for use by the Association to assist member churches in respect of property purchase, major improvements and major repairs. As part of a review of the wider financial structure, the Trustees deemed it appropriate to reduce the fund to £250,000, to reflect the reduction in loans over the prior years and the shift away from granting loans. The Trustees therefore transferred £271,980 from this pot to General Funds.

Capital Reserve - Capital income available for the general purpose of the Association mainly used in connection with the purchase of properties.

Zion Fund - Funds received from the closure of a church for the general purposes of Kent Baptist Association and used to purchase a Manse for the Regional Minister.

The Evangelism Fund - The Evangelism fund relates to funds held in investments, previously held by the Baptist Union, transferred to the charity during 2013. During the prior period, the Trustees reviewed the position on the designated fund and re-allocated the balance remaining to the General Fund, to further support the general mission work of the Charity. As such, the balance on these funds is now £Nil.

La Ferve - This is a Baptist Union fund which was transferred across to SEBA in earlier years. The funds are held for Mission work. During the prior period, the Trustees reviewed the position on this designated fund and agreed to re-allocate the balance remaining to the General Fund, to further support the general mission work of the Charity. As such, the balance on these funds is now £Nil.

Investment Reserve - Funds transferred from the General Fund to enable the original Association to purchase shares from the Baptist Insurance Company plc (BIC). During the prior period, the Trustees have reviewed the position and decided that no further shares will be purchased in BIC, and as such the remaining balance has been transferred back to General funds at the period end. As such, the balance on these funds is now £Nil.

Restricted Funds

Cavendish & Brasted Funds - These restricted funds relate to monies received at the time of a church closure, which can only be used to purchase property.

Fresh Expressions - These funds are used to run Mission Shaped Ministry courses in conjunction with the Fresh Expressions training organisation, offering the opportunity for ministers to engage in concepts, or fresh expressions of church which will connect with those people currently missing from our congregations.

Kent Union Fund - Income received from the Kent Union Fund, to be used for the benefit of needy retired ministers or their spouses.

Kent Thameside Church Plant Project - This is a long-term project in which the Association is engaged at the Kent Thameside Development. The project has funds in both designated and restricted accounts. During the prior period, this project was fully transferred from SEBA to the Kent Thameside Church, (known as Ebbsfleet Baptist) and as such the fund was closed at year end. As such, the balance on these funds is now £Nil.

Baptist Grant - Monies received from the Baptist Union for a specific Mission Project. During the prior period, the Trustees reviewed this fund and felt it could be utilised in line with their other restricted projects, and as such the balance of the fund was transferred into the Bread of Life project fund. As such, the balance on these funds is now £Nil.

SOUTH EASTERN BAPTIST ASSOCIATION
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

19. Statement of funds (continued)

Northfleet Project - Although part of the Kent Thameside Church Plant Project operated in the Northfleet North area with it's own pioneer minister. During the prior period, funding of the project was provided by SEBA each year to balance the costs involved and transferred accordingly. The final amount due to the Project was transferred to the Project in 2023, and in line with the Kent Thameside Church Plant Project, the Project was transferred and as such the fund was closed.

KTCP Bus Project - Relates to funds received during the prior period, towards the purchase of a vehicle or other work within the project. The final amount due to the Project was transferred to the Project in 2023, and in line with the Kent Thameside Church Plant Project, the Project was transferred and as such the fund was closed.

Bread of Life Project - A pioneering mission project to transform a disused church building , in a parade of shops, into a coffee shop-bakery-church to serve the local community and establish a worshipping community.

20. Summary of funds

Summary of funds - current year

	Balance at 1 January 2024	Income	Expenditure	Transfers in/out	Gains/ (Losses)	Balance at 31 December 2024
Designated funds	847,863	-	-	(271,980)	-	575,883
General funds	597,281	656,207	(454,169)	271,980	3,469	1,074,768
Restricted funds	164,667	-	-	-	-	164,667
	<u>1,609,811</u>	<u>656,207</u>	<u>(454,169)</u>	<u>-</u>	<u>3,469</u>	<u>1,815,318</u>

Summary of funds - prior year

	Balance at 1 January 2023	Income	Expenditure	Transfers in/out	Gains/ (Losses)	Balance at 31 December 2023
Designated funds	815,594	-	-	32,269	-	847,863
General funds	490,677	549,593	(375,417)	(99,018)	31,446	597,281
Restricted funds	211,509	17,467	(131,058)	66,749	-	164,667
	<u>1,517,780</u>	<u>567,060</u>	<u>(506,475)</u>	<u>-</u>	<u>31,446</u>	<u>1,609,811</u>

SOUTH EASTERN BAPTIST ASSOCIATION
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

21. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Restricted funds 2024	Unrestricted funds 2024	Total funds 2024
Tangible fixed assets	-	2,927	2,927
Fixed asset investments	-	167,273	167,273
Investment property	-	582,250	582,250
Current assets	164,667	925,785	1,090,452
Creditors due within one year	-	(27,584)	(27,584)
Total	<u>164,667</u>	<u>1,650,651</u>	<u>1,815,318</u>

Analysis of net assets between funds - prior period

	<i>Restricted funds 2023</i>	<i>Unrestricted funds 2023</i>	<i>Total funds 2023</i>
Tangible fixed assets	-	2,992	2,992
Fixed asset investments	-	163,804	163,804
Investment property	-	582,250	582,250
Current assets	164,667	717,309	881,976
Creditors due within one year	-	(21,211)	(21,211)
Total	<u>164,667</u>	<u>1,445,144</u>	<u>1,609,811</u>

22. Reconciliation of net movement in funds to net cash flow from operating activities

	2024	2023
Net income for the period (as per Statement of Financial Activities)	<u>205,507</u>	<u>72,281</u>
Adjustments for:		
Depreciation charges	65	65
Losses on investments	(3,469)	(11,696)
Dividends, interests and rents from investments	(63,105)	(47,976)
Decrease/(increase) in debtors	(26,598)	26,548
Increase/(decrease) in creditors	6,373	(97,576)
Net cash provided by/(used in) operating activities	<u>118,773</u>	<u>(58,354)</u>

SOUTH EASTERN BAPTIST ASSOCIATION
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

23. Analysis of cash and cash equivalents

	2024	<i>2023</i>
Cash in hand	904,633	722,755
Total cash and cash equivalents	904,633	722,755

24. Analysis of changes in net debt

	At 1 January 2024	Cash flows	At 31 December 2024
Cash at bank and in hand	722,755	181,878	904,633
Debt due within 1 year	(299)	49	(250)
	722,456	181,927	904,383

25. Related party transactions

The charity is a member of the Baptist Union of Great Britain and is in receipt of grants from the Home Mission Fund, which is part of the Baptist Union of Great Britain Group. Grants of £265,382 (2023: £250,077) were received in this respect.

The charity has not entered into any other related party transactions other than those disclosed within the financial statements.

SOUTH EASTERN BAPTIST ASSOCIATION
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

26. Principal subsidiaries

The following was a subsidiary undertaking of the Charity:

Name	Company number	Registered office or principal place of business	Class of shares	Holding
Bread of Life Ltd	13000089	17 Cherry Close, Burgess Hill, West Sussex, RH15 9PR	Ordinary	100%

Included in consolidation

No

The financial results of the subsidiary for the period were:

Name	Income	Expenditure	Profit/(Loss) / Surplus/ (Deficit) for the period	Net assets
Bread of Life Ltd	42,970	25,590	17,380	58,969



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Parties involved with this document

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Mon, 29th Sep 2025 10:18:49 BST	P J Butchers - Signer (1fa18d7672b97697048388800a2712fd)
Mon, 29th Sep 2025 10:33:22 BST	Roland Parry - Signer (7b0ca7bd15008fedb0fd8ede3add793a)

Audit history log

Date	Action
Fri, 26th Sep 2025 15:15:30 BST	Envelope generated by Andy Vanburen (80.88.199.66)
Fri, 26th Sep 2025 15:15:30 BST	Document generated with fingerprint b59b2089f666d29f41dc82d38038b44f (80.88.199.66)
Fri, 26th Sep 2025 15:19:32 BST	Sent the envelope to P J Butchers (moderator@seba-baptist.org.uk) for signing (80.88.199.66)
Fri, 26th Sep 2025 15:19:33 BST	Document emailed to moderator@seba-baptist.org.uk
Sun, 28th Sep 2025 7:53:26 BST	P J Butchers opened the document email. (217.155.237.155)
Sun, 28th Sep 2025 7:53:40 BST	P J Butchers opened the document email. (217.155.237.155)
Mon, 29th Sep 2025 10:16:56 BST	P J Butchers opened the document email. (82.144.242.199)
Mon, 29th Sep 2025 10:17:00 BST	P J Butchers viewed the envelope (82.144.242.199)
Mon, 29th Sep 2025 10:17:08 BST	P J Butchers opened the document email. (82.144.242.199)
Mon, 29th Sep 2025 10:18:49 BST	P J Butchers signed the envelope (82.144.242.199)
Mon, 29th Sep 2025 10:18:49 BST	Sent the envelope to Roland Parry (r.parry@mageegammon.com) for signing (82.144.242.199)
Mon, 29th Sep 2025 10:18:50 BST	Document emailed to r.parry@mageegammon.com
Mon, 29th Sep 2025 10:33:06 BST	Roland Parry viewed the envelope (80.88.199.66)
Mon, 29th Sep 2025 10:33:22 BST	Roland Parry signed the envelope (80.88.199.66)
Mon, 29th Sep 2025 10:33:22 BST	This envelope has been signed by all parties (80.88.199.66)

Accounts

Company registration number: 4292136

Charity registration number: 1093252

South Eastern Baptist Association

(A company limited by guarantee)

Annual Report and Financial Statements for the Year Ended 31 December 2023

South Eastern Baptist Association

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South Eastern Baptist Association

Reference and Administrative Details

Charity Name:	South Eastern Baptist Association
Company Registration Number:	04292136
Charity Registration Number:	1093252
Registered Office:	17 Cherry Close Burgess Hill West Sussex RH15 9PR
Trustees:	Mr M F Browning Revd P J Butchers – appointed 15 March 2023 Revd M J Fanstone Revd J E Hardwick Revd J G Newson Revd N Richardson Mrs C L Fisk – appointed 1 October 2023 Revd J L Hunt - appointed 1 August 2022 and resigned 15 March 2023 Revd P J Kerley – resigned 15 March 2023 Mr G F Sigfrid resigned 15 March 2023
Senior Management Team:	Revd P J Butchers – Moderator Mrs C L Fisk – Treasurer Revd J L Hunt - Team Leader & Regional Minister Mr R Stanford Beale – Operations Manager
Bankers:	Reliance Bank Ltd Faith House 23-24 Lovat Lane London EC3R 8EB
Independent Examiner	Azets Audit Services Chartered Accountants 2 nd Floor, Regis House 45 King William Street London EC4R 9AN

South Eastern Baptist Association

Report of the Trustees Year Ended 31 December 2023

The Trustees, who are also directors of the Association for the purposes of company law, are pleased to submit the Annual Report and Financial Statements of the charitable company for the year ending 31 December 2023, which are prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Articles of Association and 'Accounting and Reporting By Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102 – effective 1 January 2019)' as updated by SORP Update Bulletin 1.

Objectives and activities

The objects of the charity are to advance the Christian religion, especially by means of and in accordance with the principles of the Baptist denomination as set out for the time being in the Declaration of Principles of the Baptist Union of Great Britain.

The principal activities continue to be the resourcing and envisioning of ministers and churches throughout the whole area. This is mainly achieved through personal contacts, pastoral care, and the encouragement of strategies which will achieve an expanded Christian witness and the stated objectives of the charity.

Public benefit

Having regard to the guidance published by the Charity Commission, the trustees continued to provide public benefit by seeking to advance the Christian Faith and Practice in accordance with the principles of the Baptist Denomination. The Association is a resource body for its member churches, which are all separate charities. Baptists believe that each Christian has a duty to share their faith with the wider public and recognise that the mission is not just evangelism, but also includes promoting justice, social welfare, healing, education and peace in the world.

The trustees confirm that they have complied with the requirements of section 4 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Achievements and Performance

Throughout 2023 the Association continued to support its member churches in a wide range of activities including:

- communication, including the provision of religious material via the Association's website: www.seba-baptist.org.uk;
- promoting the study of religious teachings, practices and scriptures;
- support of religious office holders, e.g. ministers, deacons and elders of member churches;
- promoting prayer, praise and provision of training events;
- pastoral support to ministers and church congregations;
- contributing to the spiritual and moral education of children and young people and the provision of training
- comply with the legal requirements regarding safeguarding.

The residential conference for ministers and church leaders held in 2023 and 2024 continues to be a well received time of ministry and fellowship for our wider church network, and this will be continued into 2025 and beyond.

South Eastern Baptist Association

Report of the Trustees Year Ended 31 December 2023

Financial review

The results of the year are set out on pages 8 to 10.

The trustees consider the fund balance at 31 December 2023 to be satisfactory and the level of reserves meets the charity's reserves policy. The inclusion of the defined benefit liability to the multi-employer pension scheme is reflected in the Balance Sheet.

At the year end the Association Building Loan Fund totalled £521,980 (2022: £521,980). No new loans (2022: £Nil) were made during the year. During 2023 the Loan Fund assisted 8 churches (2022: 12). The total amount of loans outstanding at the year-end was £131,244 (2022: £178,477).

The total funds held by the charity at the end of the financial period amounted to £1,609,811 (2022: £1,517,780) of which restricted funds not available for the general purpose of the charity amounted to £164,667 (2022: £211,509).

Policy on reserves

It is the policy of the charity to seek to maintain a level of reserves sufficient to cover 6 months' running costs.

Going concern

The trustees have considered any uncertainties in relation to the charity's future funding and are confident of the charity's ability to continue as a going concern.

Plans for future periods

The charity plans to continue to carry out its current objectives and activities and to seek further ways in which these can be more fully utilised.

Structure, governance and management

Nature of governing document

South Eastern Baptist Association is a company limited by guarantee and a registered charity. It is governed by its Memorandum and Articles of Association.

Recruitment and appointment of trustees

The power to appoint up to 5 trustees is vested in the member churches; the Moderator and the Treasurer are also appointed by the member churches, up to 3 trustees may be co-opted by the Board of Trustees as a whole.

Induction and training of trustees

All serving trustees understand the methods and purpose of the charity. All new trustees are given sufficient training upon appointment and new guidance is notified and made available at Board meetings.

Organisational structure

The Board of Trustees is responsible for all aspects of the management and running of the charity and holds regular meetings in furtherance of those responsibilities. The Trustees are supported in their work by the Operations Team, the Leadership Team and the Finance Committee. The Operations Team, comprising the paid staff team, work together to further the charity's aims and objectives. The Leadership team, made up of a mixture of paid staff and volunteer ministers from our Networks, meet together to steer the Association and focus its ministry aims. The Finance Committee, made up of Trustees, paid staff and volunteers, oversee the charity's position and financial governance.

South Eastern Baptist Association

Report of the Trustees Year Ended 31 December 2023

Statement of Trustees' Responsibilities

The trustees (who are also the directors of South Eastern Baptist Association for the purposes of company law) are responsible for preparing the trustees' Annual Report and the financial statements in accordance with the applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

Approved by the trustees of the charity on **8 July 2024** and signed on its behalf by:



.....
Trustee - Rev P Butchers

South Eastern Baptist Association

Independent Examiner's Report to the Trustees of South Eastern Baptist Association

I report on the accounts of the South Eastern Baptist Association for the year ended 31 December 2023 set out on pages 8 to 28.

Responsibilities and basis of report

As the charity Trustees of the company (and also its directors 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 under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your company'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

Since the company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am member of The Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act 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
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

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.



.....
J Howard FCA
For and on behalf of Azets Audit Services
Chartered Accountants
2nd Floor, Regis House
45 King William Street
London EC4R 9AN

Date: 18 July 2024

South Eastern Baptist Association
Statement of Financial Activities
(Including Income and Expenditure Account)
For the year ended 31 December 2023

	Note	Unrestricted Funds £	Restricted Funds £	Total 2023 £	Total 2022 £
Income and endowments from:					
Donations and legacies	2	459,351	17,467	476,818	322,337
Other trading activities	3	11,113	-	11,113	10,441
Investment income	4	47,976	-	47,976	25,303
Other income	5	31,153	-	31,153	41,085
Total income		549,593	17,467	567,060	399,166
Expenditure on:					
Charitable activities	6	375,417	131,058	506,475	711,148
Total expenditure		375,417	131,058	506,475	711,148
Net (expenditure) / income before investment gains/(losses)		174,176	(113,591)	60,585	(311,982)
Fair value (losses) / gains on investment property	13	19,750	-	19,750	(25,000)
Net (losses) / gains on investments	14	11,696		11,696	(17,564)
Net (expenditure) / income before transfers		205,622	(113,591)	92,031	(354,546)
Transfers between funds		(66,749)	66,749	-	-
Net (expenditure) / income before other recognised gains/(losses)		138,873	(46,842)	92,031	(354,546)
Other recognised gains	19	-	-	-	59,200
Gain on property disposal		-	-	-	45,526
Net movements in funds		138,873	(46,842)	92,031	(249,820)
Reconciliation of funds:					
Total funds brought forward	20	1,306,271	211,509	1,517,780	1,767,600
Total funds carried forward	20	1,445,144	164,667	1,609,811	1,517,780

All income and expenditure has arisen from continuing activities

All recognised gains and losses are included in the Statement of Financial Activities

The notes on pages 11 to 28 form part of these financial statements.

South Eastern Baptist Association

Balance Sheet As at 31 December 2023 (Registration number: 4292136)

	Note	2023 £	2022 £
Fixed Assets			
Tangible assets	12	2,992	3,057
Investment property	13	582,250	562,500
Investments	14	163,804	152,107
		749,046	717,664
Current Assets			
Debtors	15	159,221	185,770
Cash at bank and in hand		722,755	733,133
		881,976	918,903
Creditors: Amounts falling due within one year	16	(21,211)	(43,787)
Net Current Assets		860,765	875,116
Total Current Assets less current liabilities		1,609,811	1,592,780
Creditors: Amounts falling due after more than one year	17	-	(75,000)
Provisions for liabilities: Defined benefit pension scheme liability	18	-	-
Net assets		1,609,811	1,517,780
Funds of the charity:			
Restricted funds	20	164,667	211,509
Unrestricted funds	20	1,445,144	1,306,271
Total funds		1,609,811	1,517,780

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2023. The members have not required the charitable company to obtain an audit of its financial statements for the year ended 31 December 2023 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for:

- ensuring that the company keeps accounting records with comply with Sections 386 and 387 of the Companies Act 2006 and
- preparing the financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies. The financial statements were approved by the Board on the **8 July 2024** and signed on its behalf by:



Trustee - Rev P Butchers

The notes on pages 11 to 28 form part of these financial statements.

South Eastern Baptist Association

Statement of Cash Flows For the year ended 31 December 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Net cash from operating activities	22	(58,354)	(219,832)
		(58,354)	(219,832)
Cash flows from investing activities:			
Dividends, interest and rents from investments		47,976	25,303
Proceeds from sale of fixed asset		-	195,840
Net cash from investing activities		47,976	221,143
 Change in cash and cash equivalents in the year		 (10,378)	 1,311
Cash and cash equivalents brought forward		733,133	731,822
Cash and cash equivalents carried forward	23	722,755	733,133

The notes on pages 11 to 28 form part of these financial statements.

South Eastern Baptist Association

Notes to the Financial Statements For the Year Ended 31 December 2023

1. ACCOUNTING POLICIES

(a) General information and charitable company status

South Eastern Baptist Association is a charitable company, limited by guarantee, without share capital, operating in the United Kingdom. The members of the charitable company are the Trustees named on page 3. In the event of the charitable company being wound up, the liability in respect of the guarantee is limited to £10 per member. The address of the registered office is given in the charity information on page 3 of these financial statements. The nature of the charity's operations and principal activities are set out on page 4.

(b) Basis of preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. South Eastern Baptist Association meets the definition of a public benefit entity under FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charitable company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

(c) Preparation of the accounts on a going concern basis

The financial statements have been prepared on a going concern basis as the Trustees believe that no material uncertainties exist. The Trustees have considered the level of funds held and expected level of income and expenditure for 12 months from authorising these financial statements and have therefore continued to adopt the going concern basis in preparing its financial statements.

(d) Funds

Unrestricted funds – represent those funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the company and which have not been designated for other purposes.

Designated funds – represents those funds as set aside by the Trustees for specific purposes. A description of the nature and purposes of the designated funds can be found at note 20.

Restricted funds – can only be used for a particular restricted purpose within the charitable objects. Restrictions arise when specified by the donor or when funds are raised for a particular restricted purpose. A description of the nature and purposes of the restricted funds can be found at note 20.

(e) Income

Income is recognised in the Statement of Financial Activities when the association has entitlement to the funds; and performance conditions attached to the item(s) of income have been met; it is probable that the income will be received; and that the amount can be measured reliably.

Donations - Donations are recognised when the association has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the association before the association is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the association and it is probable that these conditions will be fulfilled in the reporting period.

Legacies – For legacies, entitlement is taken as the earlier of the date on which either: the company is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate.

South Eastern Baptist Association
Notes to the Financial Statements (continued)
For the Year Ended 31 December 2023

1. ACCOUNTING POLICIES - continued

(e) Income (continued)

Grants – Grants receivable are accounted for in the year in which they are receivable. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

Investment income - Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

(f) Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category.

Charitable activities - Charitable expenditure comprises those costs incurred by the association in the delivery of its activities and services for its beneficiaries.

Support costs - Support costs include central functions.

All expenditure is inclusive of irrecoverable VAT.

(g) Taxation

The association is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the association is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

(h) Tangible fixed assets and depreciation

Tangible fixed assets are statement at cost less accumulated depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Buildings	On a straight-line basis over 50 years
Fixtures & Equipment	100% write off immediately

Individual fixed assets costing £500 or more are capitalised at cost.

(i) Investment Property

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

(j) Fixed asset investments

Investments are held for their income generation and investment potential and are valued at market value at the reporting date where information is available. Where no market information is available, they are held at historic cost.

Investment gains and losses, whether realised or unrealised, are combined and are charged or credited to the Statement of Financial Activities.

South Eastern Baptist Association
Notes to the Financial Statements (continued)
For the Year Ended 31 December 2023

1. ACCOUNTING POLICIES - continued

(k) Debtors

Loans are considered concessionary loans as they are made by the association to further its purposes. Loans are initially measured at the amount paid, with the carrying amount adjusted subsequently to reflect repayments. There is no interest charged on the loan amounts. Where any loan made is considered to be irrecoverable an impairment loss is recognised.

Other debtors are recognised at the settlement amount. Prepayments are valued at the amount prepaid.

(l) Cash and cash equivalents

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

(m) Creditors

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

Loans are recognised and held at the amount received less any repayment amounts, the carrying amount is adjusted to reflect any interest paid. Accruals and other creditors are recognised at their settlement amount due.

(n) Provision for liabilities

Provisions are recognised when the charity has an obligation at the reporting date as a result of a past event, it is probable that the charity will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

A liability for the agreed pension scheme deficit plan has been included, in accordance with the Baptist Union Staff Pension Scheme Schedule of Contributions.

(o) Financial instruments

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

(p) Employee benefits

Defined contribution pension plans - The association participates in a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the association pays fixed contributions into a separate entity. Once the contributions have been paid the charity has no further payment obligations. The contributions are recognised as an expenditure 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 charity in an independently administered fund.

Multi-employer pension plan – The association is a member of a multi-employer plan defined pension plans. Where it is not possible for the association to obtain sufficient information to enable it to account for a plan as a defined benefit plan, it accounts for the plan as a defined contribution plan.

Where the plan is in deficit and where the charity has agreed, with the plan, to participate in a deficit funds arrangement, the charity recognised a liability for this obligation. The amount recognised is the net present value of the contribution payable under the agreement that relate to the deficit. This amount is expensed to the SOFA. The unwinding of the discount is recognised as a finance cost.

A liability for the agreed pension scheme deficit plan has been included, in accordance with the Baptist Pension Scheme Schedule of Contributions.

South Eastern Baptist Association
Notes to the Financial Statements (continued)
For the Year Ended 31 December 2023

1. ACCOUNTING POLICIES - continued

(o) Judgement and key sources of estimations uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believe to be reasonable under the circumstances.

1) Judgements in applying the entity's accounting policies

- **Multi-employer defined pension scheme** – Certain employees participate in multi-employer defined benefit pension schemes with other organisations. In the judgement of the trustees, the association does not have sufficient information on the plan assets and liabilities to be able to reliably account for its share of the defined benefit obligation and plan assets. Therefore, the schemes are accounted for as defined contribution schemes.
- **Investment property valuation** – the valuations are prepared by the directors, based on third party valuation information.

2) Accounting estimates and assumptions

- **Multi-employer defined pension scheme: Baptist Pension Scheme** – The association has an obligation to pay a deficit funding arrangement in respect of the multi-employer defined benefit pension scheme. The present value of the obligation depends on a number of factors including the RPI rate and the discount rate on corporate bonds. Management estimates these factors in determining the new pension obligation in the balance sheet.
- **Recoverability of loans** – The recoverability of loans is assessed annually, and at the balance sheet date provisions for doubtful debts are provided based on prior year experiences.

2. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted Funds		Restricted Funds	Total 2023	Total 2022
	Designated £	General £	£	£	£
Donations from individuals	-	-	17,467	17,467	100,894
Grants from other charities	-	13,578	-	13,578	8,470
Home Mission fund grant	-	250,077	-	250,077	209,171
Other income	-	191,506	-	191,506	539
Preaching fees	-	4,190	-	4,190	3,263
	-	459,351	17,467	476,818	322,337
Total 2022	4,000	221,443	96,894	322,337	

Included within other income is proceeds received from the Baptist Union in relation to the sale of church premises for a church that had closed.

3. INCOME FROM OTHER TRADING ACTIVITES

	Unrestricted Funds		Restricted Funds	Total 2023	Total 2022
	Designated £	General £	£	£	£
Membership subscriptions	-	11,113	-	11,113	10,441
	-	11,113	-	11,113	10,441
Total 2022	-	10,441	-	10,441	

South Eastern Baptist Association
Notes to the Financial Statements (continued)
For the Year Ended 31 December 2023

4. INVESTMENT INCOME

	Unrestricted Funds		Restricted Funds	Total 2023	Total 2022
	Designated £	General £	£	£	£
Dividend income	-	1,294	-	1,294	4,505
Interest income	-	6,612	-	6,612	578
Rental income	-	40,070	-	40,070	20,220
	<u>-</u>	<u>47,976</u>	<u>-</u>	<u>47,976</u>	<u>25,303</u>
Total 2022	<u>-</u>	<u>25,303</u>	<u>-</u>	<u>25,303</u>	

5. OTHER INCOME

	Unrestricted Funds		Restricted Funds	Total 2023	Total 2022
	Designated £	General £	£	£	£
Other income	-	2,394	-	2,394	14,031
Conference and training fees	-	28,759	-	28,759	27,054
	<u>-</u>	<u>31,153</u>	<u>-</u>	<u>31,153</u>	<u>41,085</u>
Total 2022	<u>-</u>	<u>41,085</u>	<u>-</u>	<u>41,085</u>	

South Eastern Baptist Association
Notes to the Financial Statements (continued)
For the Year Ended 31 December 2023

6. EXPENDITURE ON CHARITABLE ACTIVITIES

	Unrestricted Funds		Restricted	Total	Total
	Designated	General	Funds	2023	2022
	£	£	£	£	£
Wages and salaries (note 11)	-	145,771	4,416	150,187	191,557
Staff Employers NIC (note 11)	-	6,154	400	6,554	10,741
Staff pensions (note 11)	-	15,733	561	16,294	20,726
Rent	-	-	-	-	16,978
Council tax and water rates	-	8,655	1,107	9,762	21,312
Property maintenance	-	7,966	61,099	69,065	189,980
Small equipment	-	-	23	23	351
Student grants	-	-	-	-	148
Training and conferences	-	18,817	-	18,817	23,673
Travelling	-	16,283	1,053	17,336	17,332
Housing allowance	-	32,400	-	32,400	24,100
Insurance	-	-	-	-	1,067
Telephone	-	-	-	-	367
Sundry expenses	-	5,563	2,075	7,638	22,633
Ministry grant paid	-	75,180	60,216	135,396	57,486
Advertising	-	-	-	-	1,813
Professional and legal fees	-	-	-	-	60,904
Printing, postage and stationery	-	-	108	108	1,676
Accountancy fees	-	6,068	-	6,068	5,001
Depreciation	-	65	-	65	3,263
Support costs (note 7)	-	36,762	-	36,762	40,040
	-	375,417	131,058	506,475	711,148
Total 2022	-	332,755	378,393	711,148	

South Eastern Baptist Association
Notes to the Financial Statements (continued)
For the Year Ended 31 December 2023

7. ANALYSIS OF SUPPORT COSTS

	Unrestricted Funds		Restricted Funds	Total 2023	Total 2022
	Designated £	General £	£	£	£
Employment costs	-	-	-	-	52
Rental property costs	-	12,964	-	12,964	12,004
Insurance	-	1,841	-	1,841	1,593
Equipment	-	3,629	-	3,629	3,655
Telephone	-	2,967	-	2,967	2,832
Printing, postage and stationery	-	1,255	-	1,255	534
Trade subscriptions	-	3,534	-	3,534	3,130
Sundry expenses	-	6,075	-	6,075	4,880
Travel	-	426	-	426	3,624
Board costs	-	296	-	296	141
Interest payable (note 8)	-	12	-	12	7,595
Bad debts	-	3,763	-	3,763	-
	<u>-</u>	<u>36,762</u>	<u>-</u>	<u>36,762</u>	<u>40,040</u>
Total 2022	<u>-</u>	<u>40,040</u>	<u>-</u>	<u>40,040</u>	

8. INTEREST PAYABLE

	Total 2023 £	Total 2022 £
Interest on net defined benefit pension liability (note 19)	12	7,595
	<u>12</u>	<u>7,595</u>

9. INDEPENDENT EXAMINATION FEE

	Total 2023 £	Total 2022 £
This is stated after charging:		
Independent examination fee	4,920	4,560
	<u>4,920</u>	<u>4,560</u>

South Eastern Baptist Association
Notes to the Financial Statements (continued)
For the Year Ended 31 December 2023

10. TRUSTEE REMUNERATION AND EXPENSES

During the year the association made transactions with trustees, all of which the trustees considered as permitted by the charity's commission.

Trustees' remuneration is paid for ministry work and is not connected with their duties as trustees. In the year, Trustees Revd J L Hunt, and Revd P J Kerley and his spouse, received remuneration. As part of a structural adjustment within the Charity, the Regional Ministers resigned their commission as Trustees on 15 March 2023, and as such, their salaries, and other benefits (including employers pension contributions,) set out below are the amounts received until this date:

	2023 £	2022 £
Revd P J Kerley	8,089	36,543
Mrs P Kerley	2,185	10,256
Revd J L Hunt	9,456	24,451
	<u> </u>	<u> </u>

Revd J L Hunt and Revd P J Kerley also received a housing allowance which totalled £8,100 at the date of their resignation.

During the year, 6 (2022: 3) trustees were reimbursed for expenses amounting to £4,571 (2022: £10,879). This amount includes expenses reimbursed to Revd J L Hunt and P J Kerley during their time as trustees. The Regional Ministers continue to be employed in their ministerial roles.

11. STAFF COSTS

Staff costs were as follows:

	2023 £	2022 £
Wages and salaries	150,187	191,557
Social security costs	6,554	10,741
Pension Costs	16,294	20,726
	<u> </u>	<u> </u>
	173,035	223,024
	<u> </u>	<u> </u>

The monthly average number of persons (including senior management team) employed by the charity during the year (per headcount) were as follows:

	2023 No	2022 No
Full Time Staff	3	5
Part Time Staff	6	5
	<u> </u>	<u> </u>
	9	10
	<u> </u>	<u> </u>

One employee received remuneration of between £60,000 and £69,999 in the year (2022: Nil)

The key management of the association comprise of the senior management team noted on page 3. The total employee benefits of the key management personnel of the charity were £77,722 (2022: £110,976). Included in this amount is Revd J L Hunt's housing allowance of £16,800 for the full year.

South Eastern Baptist Association
Notes to the Financial Statements (continued)
For the Year Ended 31 December 2023

12. TANGIBLE FIXED ASSETS

	Land and Buildings £	Furniture and Equipment £	Total £
Cost			
At 1 January 2023	3,252	4,919	8,171
At 31 December 2023	3,252	4,919	8,171
Depreciation			
At 1 January 2023	195	4,919	5,114
Depreciation charge	65	-	65
Disposals			
At 31 December 2023	260	4,919	5,179
Carrying amount			
At 31 December 2022	3,057	-	3,057
At 31 December 2023	2,992	-	2,992

13. INVESTMENT PROPERTY

	Total £
Fair value	
At 1 January 2023	562,500
FV gains/losses on investment properties	19,750
At 31 December 2023	582,250

14. FIXED ASSET INVESTMENTS

	Listed Investments £	Unlisted Investments £	Subsidiary - Bread of Life £ (See note 25)	Total £
Market Value				
At 1 January 2023	140,083	12,015	10	152,108
Revaluations	11,696	-	-	11,696
At 31 December 2023	151,779	12,015	10	163,804

All investments are held in the UK.

The unlisted investment relates to 2,403 ordinary shares held in Baptist Insurance Company Plc (registered company number 00083597) a public company limited by shares. As these shares are not actively traded through Stock Markets, no market value can be obtained, resulting in the shares being valued at historic cost.

South Eastern Baptist Association
Notes to the Financial Statements (continued)
For the Year Ended 31 December 2023

15. DEBTORS

	2023	2022
	£	£
Loans to churches	131,244	178,477
Prepayments and accrued income	22,334	1,200
Other debtors	5,643	6,093
	<u>159,221</u>	<u>185,770</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Other creditors	299	274
Accruals and deferred income	20,912	43,513
	<u>21,211</u>	<u>43,787</u>

16A. DEFERRED INCOME

	2023	2022
	£	£
At 1 January 2023	37,382	9,746
Amounts released during the year	(37,382)	(9,746)
Amounts deferred during the year	8,661	37,382
	<u>8,661</u>	<u>37,382</u>

Income has been deferred as it was received in advance of the conference held in 2023.

17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2023	2022
	£	£
Other loans	<u>-</u>	<u>75,000</u>

Other loans included a £75,000 Baptist Union Strategy Loan which was paid off in the year..

South Eastern Baptist Association
Notes to the Financial Statements (continued)
For the Year Ended 31 December 2023

18. PROVISION FOR LIABILITIES

	2023 £	2022 £
Defined Benefit pension scheme liability (note 19)	-	-

19. PENSION COMMITMENT

Background

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

The Scheme, previously known as the Baptist Ministers' Pension Fund, started in 1925, but was closed to future accrual of defined benefits on 31 December 2011. Prior to this date the main benefit provided through the Defined Benefit (DB) Plan was a pension of one eightieth of final minimum pensionable income for each year of pensionable service together with additional pension in respect of premiums paid on Pensionable Income in excess of Minimum Pensionable Income.

From January 2012, pension provision is being made through the Defined Contribution (DC) Plan within the Scheme. In general, members pay 8% of their Pensionable Income and employers pay 6% of members' Pensionable Income into individual pension accounts, which are operated and managed on behalf of the Pension Trustee by Broadstone Corporate Benefits Ltd. In addition, the employer pays a further 4% of Pensionable Income to cover Death in Service Benefits, administration costs, and an associated insurance policy which provides income protection for Scheme members if they are unable to work due to long-term incapacity. This income protection policy has been insured by the Baptist Union of Great Britain with Aviva Limited.

The Scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. Because it is not possible to attribute the Scheme's assets and liabilities to specific employers, the scheme is accounted for as if the Scheme were a defined contribution scheme.

The Regional Ministers and some members of the Association Team are eligible to join the Scheme.

Actuarial valuation as at 31 December 2019

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

The key financial assumptions underlying the valuation were as follows

Type of assumption	% p.a.
RPI price inflation assumption	3.20
CPI price inflation assumption	2.70
Minimum Pensionable Income Increase Adjustment (above CPI)	0.50
Pre-retirement assumed investment returns (gilt yield plus 1.75% pa)	2.95
Post retirement assumed investment returns (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
Pension increases	
Based on CPI with an annual floor of 0% and annual cap of 5%	2.70

South Eastern Baptist Association
Notes to the Financial Statements (continued)
For the Year Ended 31 December 2023

19. PENSION COMMITMENT – continued

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

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

Recovery Plan

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

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

Movement in Balance Sheet liability

The movement in the provision is set out in the table below.

	2023 £	2022 £
Balance brought forward	-	59,200
Contributions paid in the year	12	(7,595)
Net interest expense	-	
Loss/(gain) on change of funding plan*	(12)	(51,605)
Balance carried forward	-	-

* Comprises any change in agreed deficit recovery plan and change in assumptions between year-ends. During the year, the Church was asked to now pay £1 a month towards the deficit, thus reducing the liability to £Nil.

The Association has been advised that the cost for the Association to buyout their Pension Scheme liabilities as at 31 December 2023 was approximately £Nil (2022: £ Nil).

South Eastern Baptist Association

Notes to the Financial Statements (continued) For the Year Ended 31 December 2023

20. STATEMENT OF FUNDS

STATEMENT OF FUNDS – CURRENT YEAR

	Balance at 1 January 2023 £	Incoming Resources £	Resources Expended £	Transfers & Gains/ (losses) £	Balance at 30 December 2023 £
Unrestricted funds					
General funds					
Revaluation reserve	79,394	-	-	19,750	99,144
Unrestricted income fund	411,283	549,593	(375,417)	(87,322)	498,137
	490,677	549,593	(375,417)	(67,572)	597,281
Designated funds					
Home Mission grant for missions	(57,386)	-	-	57,386	-
Building loan fund	521,980	-	-	-	521,980
Capital reserve	250,883	-	-	-	250,883
Investment reserve	7,065	-	-	(7,065)	-
Zion fund	75,000	-	-	-	75,000
The Evangelism fund	14,675	-	-	(14,675)	-
Le Ferve	3,287	-	-	(3,287)	-
	815,594	-	-	32,269	847,863
Total unrestricted fund	1,306,271	549,593	(375,417)	(35,303)	1,445,144
Restricted funds					
Cavendish fund	88,193	-	-	-	88,193
Brasted fund	74,205	-	-	-	74,205
Church of the year fund	-	-	-	-	-
Fresh Expressions	161	-	-	-	161
Kent Union fund	2,108	-	-	-	2,108
Kent Thameside Church Planting Project	28,506	15,804	(53,517)	9,207	-
Baptist Grant	6,931	-	-	(6,931)	-
Northfleet Project	-	1,623	(5,037)	3,414	-
KTCP Bus Project	11,405	-	(11,405)	-	-
Bread of Life Project	-	40	(61,099)	61,059	-
Total restricted fund	211,509	17,467	(131,058)	66,749	164,667
Total funds	1,517,780	567,060	(506,475)	31,446	1,609,811

South Eastern Baptist Association

Notes to the Financial Statements (continued)

For the Year Ended 31 December 2023

20. STATEMENT OF FUNDS – continued

The specific purposes for which the funds are to be applied are as follows:

Designated funds

Building Loan Fund - Monies designated for use by the Association to assist member churches in respect of property purchase, major improvements, and major repairs.

Capital Reserve - Capital income available for the general purpose of the Association mainly used in connection with the purchase of properties.

Investment Reserve - Funds transferred from the General Fund to enable the original Association to purchase shares from the Baptist Insurance Company plc (BIC). During the period, the Trustees have reviewed the position and decided that no further shares will be purchased in BIC, and as such the remaining balance has been transferred back to General funds at the period end.

Zion Fund - Funds received from the closure of a church for the general purposes of Kent Baptist Association and used to purchase a Manse for the Regional Minister.

The Evangelism Fund - The Evangelism fund relates to funds held in investments, previously held by the Baptist Union, transferred to the charity during 2013.

La Ferve - This is a Baptist Union fund which was transferred across to SEBA in earlier years. The funds are held for Mission work. During the period, the Trustees reviewed the position on this designated fund and agreed to re-allocate the balance remaining to the General Fund, to further support the general mission work of the Charity.

Restricted funds

Cavendish Fund & Brasted Fund - These restricted reserves relate to monies received at the time of a church closure, which can only be used to purchase property.

Fresh Expressions - These funds are used to run Mission Shaped Ministry courses in conjunction with the Fresh Expressions training organisation, offering the opportunity for ministers to engage in concepts, or fresh expressions of church which will connect with those people currently missing from our congregations.

Kent Union Fund - Income received from the Kent Union Fund, to be used for the benefit of needy retired ministers or their spouses.

Kent Thameside Church Plant Project - This is a long-term project in which the Association is engaged at the Kent Thameside Development. The project has funds in both designated and restricted accounts. During the period, this project was fully transferred from SEBA to the Kent Thameside Church, (known as Ebbsfleet Baptist) and as such the fund was closed at year end.

Baptist Grant - Monies received from the Baptist Union for a specific Mission Project. During the period, the Trustees reviewed this fund and felt it could be utilised in line with their other restricted projects, and as such the balance of the fund was transferred into the Bread of Life project fund.

Northfleet Project – Although part of the Kent Thameside Church Plant Project operated in the Northfleet North area with it's own pioneer minister. Funding of the project was provided by SEBA each year to balance the costs involved and transferred accordingly. The final amount due to the Project was transferred to the Project in 2023, and in line with the Kent Thameside Church Plant Project, the Project was transferred and as such the fund was closed.

KTCP Bus Project – Relates to funds received towards the purchase of a vehicle or other work within the project. The final amount due to the Project was transferred to the Project in 2023, and in line with the Kent Thameside Church Plant Project, the Project was transferred and as such the fund was closed.

Bread of Life Project – A pioneering mission project to transform a disused church building, in a parade of shops, into a coffee shop-bakery-church to serve the local community and establish a worshipping community.

South Eastern Baptist Association

Notes to the Financial Statements (continued) For the Year Ended 31 December 2023

20. STATEMENT OF FUNDS – continued

STATEMENT OF FUNDS – PRIOR YEAR

	Balance at 1 January 2022 £	Incoming Resources £	Resources Expended £	Transfers & Gains/ (losses) £	Balance at 30 December 2022 £
Unrestricted funds					
General funds					
Revaluation reserve	104,394	-	-	(25,000)	79,394
Unrestricted income fund	586,316	298,172	(275,269)	(197,936)	411,283
	690,710	298,172	(275,269)	(222,936)	490,677
Home Mission grant for missions	-	100	(57,486)	-	(57,386)
Building loan fund	517,980	4,000	-	-	521,980
Capital reserve	250,883	-	-	-	250,883
Investment reserve	7,065	-	-	-	7,065
Zion fund	75,000	-	-	-	75,000
The Evangelism fund	14,765	-	-	-	14,765
Le Ferve	3,287	-	-	-	3,287
	868,980	4,100	(57,486)	-	815,594
Total unrestricted fund	1,559,690	302,272	(332,755)	(222,936)	1,306,271
Restricted funds					
Cavendish fund	88,193	-	-	-	88,193
Brasted fund	74,205	-	-	-	74,205
Church of the year fund	-	-	-	-	-
Fresh Expressions	161	-	-	-	161
Kent Union fund	2,108	-	-	-	2,108
Kent Thameside Church Planting Project	21,138	64,634	(57,266)	-	28,506
Baptist Grant	6,931	-	-	-	6,931
Northfleet Project	-	4,443	(19,231)	14,788	-
KTCP Bus Project	11,405	-	-	-	11,405
Bread of Life Project	3,769	27,817	(301,896)	270,310	-
Total restricted fund	207,910	96,894	(378,393)	285,098	211,509
Total funds	1,767,600	399,166	(711,148)	62,162	1,517,780

South Eastern Baptist Association

Notes to the Financial Statements (continued) For the Year Ended 31 December 2023

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS – CURRENT YEAR

	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Total Funds 2023 £
Tangible fixed assets	2,992	-	2,992
Investment Property	582,250	-	582,250
Fixed asset investments	163,804	-	163,804
Current assets	717,309	164,667	881,976
Creditors due within one year	(21,211)	-	(21,211)
Creditors due in more than one year	-	-	-
Provisions for liabilities and charges	-	-	-
	<u>1,445,144</u>	<u>164,667</u>	<u>1,609,811</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS – PRIOR YEAR

	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £
Tangible fixed assets	3,057	-	3,057
Investment Property	562,500	-	562,500
Fixed asset investments	152,108	-	152,108
Current assets	707,393	211,509	918,902
Creditors due within one year	(43,787)	-	(43,787)
Creditors due in more than one year	(75,000)	-	(75,000)
Provisions for liabilities and charges	-	-	-
	<u>1,306,271</u>	<u>211,509</u>	<u>1,517,780</u>

South Eastern Baptist Association
Notes to the Financial Statements (continued)
For the Year Ended 31 December 2023

22. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2023 £	2022 £
Net expenditure for the year (as per Statement of Financial Activities)	92,031	(354,546)
Adjustment for:		
Depreciation charges	65	3,263
Fair value (gains)/losses on investment property	(19,750)	25,000
Fair value (gains)/losses on fixed asset investments	(11,696)	17,564
Dividends, interest and rents from investments	(47,976)	(25,303)
Decrease in debtors	26,548	86,400
(Decrease)/Increase in creditors	(97,576)	27,790
Net cash used in operating activities	(58,354)	(219,832)

23. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2023 £	2022 £
Cash and cash equivalents	722,755	733,133
	722,755	733,133

24. RELATED PARTY TRANSACTIONS

The charity is a member of the Baptist Union of Great Britain and is in receipt of grants from the Home Mission Fund, which is part of the Baptist Union of Great Britain Group. Grants of £250,077 (2022: £209,915) were received in this respect.

The charity has not entered into any other related party transactions other than those disclosed within the financial statements.

25. INVESTMENT IN SUBSIDIARY

Bread of Life Ltd, is a private limited Company, registered number 13000089. The company was incorporated on the 5 November 2020 and 100% of the £10 ordinary share capital is owned by South Eastern Baptist Association, which remains unpaid at the 31 December 2023. At the year end 31 December 2023, the accounts have not been consolidated into the accounts of South Eastern Baptist Association due to the subsidiary not being material. During the period to 31 December 2023 the following was noted:

	2023 £
Profit and Loss Account	
Turnover	24,252
Cost of sales	(11,907)
Administration expenses	(92,751)
Other operating income	87,199
Profit for the financial period	6,793
Net Assets at 31 December 2023	41,589

SOUTH EASTERN BAPTIST ASSOCIATION

England & Wales - Charity number 1093252

Accounts

Company registration number: 4292136

Charity registration number: 1093252

South Eastern Baptist Association

(A company limited by guarantee)

Annual Report and Financial Statements for the Year Ended 31 December 2022

South Eastern Baptist Association

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South Eastern Baptist Association

Reference and Administrative Details

Charity Name:	South Eastern Baptist Association
Company Registration Number:	04292136
Charity Registration Number:	1093252
Registered Office:	17 Cherry Close Burgess Hill West Sussex RH15 9PR
Trustees:	Mr M F Browning Revd P J Butchers – appointed 15 March 2023 Revd M J Fanstone Revd J E Hardwick Revd J G Newson – appointed 1 August 2022 Revd N Richardson – appointed 1 August 2022 Revd S W Davison - resigned 31 July 2022 Revd J L Hunt - appointed 1 August 2022 and resigned 15 March 2023 Revd P J Kerley – resigned 15 March 2023 Revd J E Mardell resigned 15 February 2022 Mr G F Sigfrid resigned 15 March 2023 Mrs C L Fisk – appointed 1 October 2023
Company Secretary:	Mr D Sheldon - resigned 20 October 2023
Senior Management Team:	Mr M F Browning, Treasurer Revd S W Davison, Team Leader & Regional Minister – resigned 31 July 2022 Revd M J Fanstone, Moderator Revd J L Hunt, Team Leader & Regional Minister - appointed 1 August 2022 Mr D Sheldon, Company Secretary
Bankers:	Reliance Bank Ltd Faith House 23-24 Lovat Lane London EC3R 8EB
Independent Examiner	Azets Audit Services Chartered Accountants 2 nd Floor, Regis House 45 King William Street London EC4R 9AN

South Eastern Baptist Association

Report of the Trustees Year Ended 31 December 2022

The Trustees, who are also directors of the Association for the purposes of company law, are pleased to submit the Annual Report and Financial Statements of the charitable company for the year ending 31 December 2022, which are prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Articles of Association and 'Accounting and Reporting By Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102 – effective 1 January 2019)' as updated by SORP Update Bulletin 1.

Objectives and activities

The objects of the charity are to advance the Christian religion, especially by means of and in accordance with the principles of the Baptist denomination as set out for the time being in the Declaration of Principles of the Baptist Union of Great Britain.

The principal activities continue to be the resourcing and envisioning of ministers and churches throughout the whole area. This is mainly achieved through personal contacts, pastoral care, and the encouragement of strategies which will achieve an expanded Christian witness and the stated objectives of the charity.

Public benefit

Having regard to the guidance published by the Charity Commission, the trustees continued to provide public benefit by seeking to advance the Christian Faith and Practice in accordance with the principles of the Baptist Denomination. The Association is a resource body for its member churches, which are all separate charities. Baptists believe that each Christian has a duty to share their faith with the wider public and recognise that the mission is not just evangelism, but also includes promoting justice, social welfare, healing, education and peace in the world.

The trustees confirm that they have complied with the requirements of section 4 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Achievements and Performance

Throughout 2022 the Association continued to support its member churches in a wide range of activities including:

- communication, including the provision of religious material via the Association's website: www.seba-baptist.org.uk;
- promoting the study of religious teachings, practices and scriptures;
- support of religious office holders, e.g. ministers, deacons and elders of member churches;
- promoting prayer, praise and provision of training events;
- pastoral support to ministers and church congregations;
- contributing to the spiritual and moral education of children and young people and the provision of training
- comply with the legal requirements regarding safeguarding.

The work undertaken within the Kent Thameside Church Planting project led to two developments. Ebbsfleet Baptist Church would become a separate entity and also the Northfleet North project would close which resulted the sale of the Northfleet manse.

A residential conference of ministers and church leaders was held in 2022 and in 2023, and a future conference is planned for 2024.

South Eastern Baptist Association

Report of the Trustees
Year Ended 31 December 2022

Financial review

The results of the year are set out on pages 8 to 10.

The trustees consider the fund balance at 31 December 2022 to be satisfactory and the level of reserves meets the charity's reserves policy. The inclusion of the defined benefit liability to the multi-employer pension scheme is reflected in the Balance Sheet.

At the year end the Association Building Loan Fund totalled £521,980 (2021: £517,980). No new loans (2021: £Nil) were made during the year. During 2022 the Loan Fund assisted 12 churches (2021: 14). The total amount of loans outstanding at the year-end was £178,477 (2021: £247,877).

The total funds held by the charity at the end of the financial period amounted to £ 1,517,780 (2021: £1,767,600) of which restricted funds not available for the general purpose of the charity amounted to £211,509 (2021: £207,910).

Policy on reserves

It is the policy of the charity to seek to maintain a level of reserves sufficient to cover 6 months' running costs.

Going concern

The trustees have considered any uncertainties in relation to the charity's future funding and are confident of the charity's ability to continue as a going concern.

Plans for future periods

The charity plans to continue to carry out its current objectives and activities and to seek further ways in which these can be more fully utilised.

Structure, governance and management

Nature of governing document

South Eastern Baptist Association is a company limited by guarantee and a registered charity. It is governed by its Memorandum and Articles of Association.

Recruitment and appointment of trustees

The power to appoint up to 5 trustees is vested in the member churches; the Moderator and the Treasurer are also appointed by the member churches, up to 3 trustees may be co-opted by the Board of Trustees as a whole.

Induction and training of trustees

All serving trustees understand the methods and purpose of the charity. All new trustees are given sufficient training upon appointment and new guidance is notified and made available at Board meetings.

Organisational structure

The Board of Trustees is responsible for all aspects of the management and running of the charity and holds regular meetings in furtherance of those responsibilities. An organisational review was completed in 2020 creating 3 teams reporting into the trustees: Leadership Team; Network Ministers' Team; Operations Team; and together with a renamed Finance and General Purposes Committee all interlink.

South Eastern Baptist Association

Report of the Trustees
Year Ended 31 December 2022

Statement of Trustees' Responsibilities

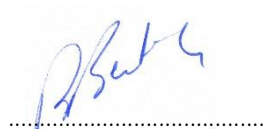
The trustees (who are also the directors of South Eastern Baptist Association for the purposes of company law) are responsible for preparing the trustees' Annual Report and the financial statements in accordance with the applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

Approved by the trustees of the charity on 8/12/2023 and signed on its behalf by:



Trustee - Rev P Butchers

South Eastern Baptist Association

Independent Examiner's Report to the Trustees of South Eastern Baptist Association

I report on the accounts of the South Eastern Baptist Association for the year ended 31 December 2022 set out on pages 8 to 28.

Responsibilities and basis of report

As the charity Trustees of the company (and also its directors 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 under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your company'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

Since the company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am member of The Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act 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
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

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.



.....
J Howard FCA
For and on behalf of Azets Audit Services
Chartered Accountants
2nd Floor, Regis House
45 King William Street
London EC4R 9AN

Date: 11 December 2023

South Eastern Baptist Association

Statement of Financial Activities (Including Income and Expenditure Account) For the year ended 31 December 2022

	Note	Unrestricted Funds £	Restricted Funds £	Total 2022 £	Total 2021 £
Income and endowments from:					
Donations and legacies	2	225,443	96,894	322,337	356,028
Other trading activities	3	10,441	-	10,441	11,811
Investment income	4	25,303	-	25,303	43,466
Other income	5	41,085	-	41,085	113,364
Total income		<u>302,272</u>	<u>96,894</u>	<u>399,166</u>	<u>524,669</u>
Expenditure on:					
Charitable activities	6	<u>332,755</u>	<u>378,393</u>	<u>711,148</u>	<u>397,910</u>
Total expenditure		<u>332,755</u>	<u>378,393</u>	<u>711,148</u>	<u>397,910</u>
Net (expenditure) / income before investment gains/(losses)		<u>(30,483)</u>	<u>(281,499)</u>	<u>(311,982)</u>	<u>126,759</u>
Fair value (losses) / gains on investment property					
	13	(25,000)	-	(25,000)	58,000
Net (losses) / gains on investments	14	<u>(17,564)</u>	<u>-</u>	<u>(17,564)</u>	<u>17,928</u>
Net (expenditure) / income before transfers		<u>(73,047)</u>	<u>(281,499)</u>	<u>(354,546)</u>	<u>202,687</u>
Transfers between funds		<u>(285,098)</u>	<u>285,098</u>	<u>-</u>	<u>-</u>
Net (expenditure) / income before other recognised gains/(losses)		<u>(358,145)</u>	<u>3,599</u>	<u>(354,546)</u>	<u>202,687</u>
Other recognised gains	19	59,200	-	59,200	3,610
Gain on property disposal		<u>45,526</u>	<u>-</u>	<u>45,526</u>	<u>-</u>
Net movements in funds		<u>(253,419)</u>	<u>3,599</u>	<u>(249,820)</u>	<u>206,297</u>
Reconciliation of funds:					
Total funds brought forward	20	<u>1,559,690</u>	<u>207,910</u>	<u>1,767,600</u>	<u>1,561,303</u>
Total funds carried forward	20	<u>1,306,271</u>	<u>211,509</u>	<u>1,517,780</u>	<u>1,767,600</u>

All income and expenditure has arisen from continuing activities

All recognised gains and losses are included in the Statement of Financial Activities

The notes on pages 11 to 28 form part of these financial statements.

South Eastern Baptist Association

Balance Sheet
As at 31 December 2022
(Registration number: 4292136)

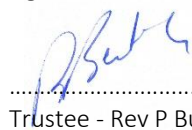
	Note	2022 £	2021 £
Fixed Assets			
Tangible assets	12	3,057	156,634
Investment property	13	562,500	587,500
Investments	14	152,107	169,671
		<u>717,664</u>	<u>913,805</u>
Current Assets			
Debtors	15	185,770	272,170
Cash at bank and in hand		733,133	731,822
		<u>918,903</u>	<u>1,003,992</u>
Creditors: Amounts falling due within one year	16	(43,787)	(15,997)
Net Current Assets		<u>875,116</u>	<u>987,995</u>
Total Current Assets less current liabilities		1,592,780	1,901,800
Creditors: Amounts falling due after more than one year	17	(75,000)	(75,000)
Provisions for liabilities: Defined benefit pension scheme liability	18	-	(59,200)
Net assets		<u>1,517,780</u>	<u>1,767,600</u>
Funds of the charity:			
Restricted funds	20	211,509	207,910
Unrestricted funds	20	1,306,271	1,559,690
Total funds		<u>1,517,780</u>	<u>1,767,600</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2022. The members have not required the charitable company to obtain an audit of its financial statements for the year ended 31 December 2022 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for:

- ensuring that the company keeps accounting records with comply with Sections 386 and 387 of the Companies Act 2006 and
- preparing the financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies. The financial statements were approved by the Board on the 8/12/23 and signed on its behalf by:


.....
Trustee - Rev P Butchers

The notes on pages 11 to 28 form part of these financial statements.

South Eastern Baptist Association

Statement of Cash Flows For the year ended 31 December 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash from operating activities	22	(219,832)	(59,365)
		(219,832)	(59,365)
Cash flows from investing activities:			
Dividends, interest and rents from investments		25,303	43,466
Purchase of investment (Bread of Life subsidiary)		-	(10)
Proceeds from sale of fixed asset		195,840	179,478
Proceeds from sale of investments		-	3,241
Net cash from investing activities		221,143	226,175
Change in cash and cash equivalents in the year		1,311	166,810
Cash and cash equivalents brought forward		731,822	565,012
Cash and cash equivalents carried forward	23	733,133	731,822

The notes on pages 11 to 28 form part of these financial statements.

South Eastern Baptist Association

Notes to the Financial Statements For the Year Ended 31 December 2022

1. ACCOUNTING POLICIES

(a) General information and charitable company status

South Eastern Baptist Association is a charitable company, limited by guarantee, without share capital, operating in the United Kingdom. The members of the charitable company are the Trustees named on page 3. In the event of the charitable company being wound up, the liability in respect of the guarantee is limited to £10 per member. The address of the registered office is given in the charity information on page 3 of these financial statements. The nature of the charity's operations and principal activities are set out on page 4.

(b) Basis of preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. South Eastern Baptist Association meets the definition of a public benefit entity under FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charitable company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

(c) Preparation of the accounts on a going concern basis

The financial statements have been prepared on a going concern basis as the Trustees believe that no material uncertainties exist. The Trustees have considered the level of funds held and expected level of income and expenditure for 12 months from authorising these financial statements and have therefore continued to adopt the going concern basis in preparing its financial statements.

(d) Funds

Unrestricted funds – represent those funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the company and which have not been designated for other purposes.

Designated funds – represent those funds set aside by the Trustees for specific purposes.

Restricted funds – can only be used for a particular restricted purpose within the charitable objects. Restrictions arise when specified by the donor or when funds are raised for a particular restricted purpose.

(e) Income

Income is recognised in the Statement of Financial Activities when the association has entitlement to the funds; and performance conditions attached to the item(s) of income have been met; it is probable that the income will be received; and that the amount can be measured reliably.

Donations - Donations are recognised when the association has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the association before the association is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the association and it is probable that these conditions will be fulfilled in the reporting period.

Legacies – For legacies, entitlement is taken as the earlier of the date on which either: the company is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate.

South Eastern Baptist Association

Notes to the Financial Statements (continued) For the Year Ended 31 December 2022

1. ACCOUNTING POLICIES - continued

(e) Income (continued)

Grants – Grants receivable are accounted for in the year in which they are receivable. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

Investment income - Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

(f) Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category.

Charitable activities - Charitable expenditure comprises those costs incurred by the association in the delivery of its activities and services for its beneficiaries.

Support costs - Support costs include central functions.

All expenditure is inclusive of irrecoverable VAT.

(g) Taxation

The association is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the association is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

(h) Tangible fixed assets and depreciation

Tangible fixed assets are statement at cost less accumulated depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Buildings	On a straight-line basis over 50 years
Fixtures & Equipment	100% write off immediately

Individual fixed assets costing £500 or more are capitalised at cost.

(i) Investment Property

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

(j) Fixed asset investments

Investments are held for their income generation and investment potential and are valued at market value at the reporting date where information is available. Where no market information is available, they are held at historic cost.

Investment gains and losses, whether realised or unrealised, are combined and are charged or credited to the Statement of Financial Activities.

South Eastern Baptist Association

Notes to the Financial Statements (continued) For the Year Ended 31 December 2022

1. ACCOUNTING POLICIES - continued

(k) Debtors

Loans are considered concessionary loans as they are made by the association to further its purposes. Loans are initially measured at the amount paid, with the carrying amount adjusted subsequently to reflect repayments. There is no interest charged on the loan amounts. Where any loan made is considered to be irrecoverable an impairment loss is recognised.

Other debtors are recognised at the settlement amount. Prepayments are valued at the amount prepaid.

(l) Cash and cash equivalents

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

(m) Creditors

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

Loans are recognised and held at the amount received less any repayment amounts, the carrying amount is adjusted to reflect any interest paid. Accruals and other creditors are recognised at their settlement amount due.

(n) Provision for liabilities

Provisions are recognised when the charity has an obligation at the reporting date as a result of a past event, it is probable that the charity will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

A liability for the agreed pension scheme deficit plan has been included, in accordance with the Baptist Union Staff Pension Scheme Schedule of Contributions.

(o) Financial instruments

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

(p) Employee benefits

Defined contribution pension plans - The association participates in a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the association pays fixed contributions into a separate entity. Once the contributions have been paid the charity has no further payment obligations. The contributions are recognised as an expenditure 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 charity in an independently administered fund.

Multi-employer pension plan - The association is a member of a multi-employer plan defined pension plans. Where it is not possible for the association to obtain sufficient information to enable it to account for a plan as a defined benefit plan, it accounts for the plan as a defined contribution plan.

Where the plan is in deficit and where the charity has agreed, with the plan, to participate in a deficit funds arrangement, the charity recognised a liability for this obligation. The amount recognised is the net present value of the contribution payable under the agreement that relate to the deficit. This amount is expensed to the SOFA. The unwinding of the discount is recognised as a finance cost.

A liability for the agreed pension scheme deficit plan has been included, in accordance with the Baptist Pension Scheme Schedule of Contributions.

South Eastern Baptist Association

Notes to the Financial Statements (continued) For the Year Ended 31 December 2022

1. ACCOUNTING POLICIES - continued

(o) Judgement and key sources of estimations uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believe to be reasonable under the circumstances.

1) Judgements in applying the entity's accounting policies

- *Multi-employer defined pension scheme* – Certain employees participate in multi-employer defined benefit pension schemes with other organisations. In the judgement of the trustees, the association does not have sufficient information on the plan assets and liabilities to be able to reliably account for its share of the defined benefit obligation and plan assets. Therefore, the schemes are accounted for as defined contribution schemes.
- *Investment property valuation* – the valuations are prepared by the directors, based on third party valuation information.

2) Accounting estimates and assumptions

- *Multi-employer defined pension scheme: Baptist Pension Scheme* – The association has an obligation to pay a deficit funding arrangement in respect of the multi-employer defined benefit pension scheme. The present value of the obligation depends on a number of factors including the RPI rate and the discount rate on corporate bonds. Management estimates these factors in determining the new pension obligation in the balance sheet.
- *Recoverability of loans* – The recoverability of loans is assessed annually, and at the balance sheet date provisions for doubtful debts are provided based on prior year experiences.

2. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted Funds		Restricted Funds	Total 2022	Total 2021
	Designated £	General £	£	£	£
Donations from individuals	4,000	-	96,894	100,894	71,762
Grants from other charities	-	8,470	-	8,470	10,246
Home Mission fund grant	-	209,171	-	209,171	262,009
Home Mission grant for missions	-	-	-	-	8,370
Other income	-	539	-	539	539
Preaching fees	-	3,263	-	3,263	3,102
	<u>4,000</u>	<u>221,443</u>	<u>96,894</u>	<u>322,337</u>	<u>356,028</u>
Total 2021	<u>12,340</u>	<u>273,541</u>	<u>70,147</u>	<u>356,028</u>	

3. INCOME FROM OTHER TRADING ACTIVITES

	Unrestricted Funds		Restricted Funds	Total 2022	Total 2021
	Designated £	General £	£	£	£
Membership subscriptions	-	10,441	-	10,441	11,811
	<u>-</u>	<u>10,441</u>	<u>-</u>	<u>10,441</u>	<u>11,811</u>
Total 2021	<u>-</u>	<u>11,811</u>	<u>-</u>	<u>11,811</u>	

South Eastern Baptist Association

Notes to the Financial Statements (continued)
For the Year Ended 31 December 2022

4. INVESTMENT INCOME

	Unrestricted Funds		Restricted Funds	Total 2022	Total 2021
	Designated £	General £	£	£	£
Dividend income	-	4,505	-	4,505	5,029
Interest income	-	578	-	578	7
Rental income	-	20,220	-	20,220	38,430
	<u>-</u>	<u>25,303</u>	<u>-</u>	<u>25,303</u>	<u>43,466</u>
Total 2021	<u>-</u>	<u>28,376</u>	<u>15,090</u>	<u>43,466</u>	

5. OTHER INCOME

	Unrestricted Funds		Restricted Funds	Total 2022	Total 2021
	Designated £	General £	£	£	£
Other income	-	14,031	-	14,031	948
Conference and training fees	-	27,054	-	27,054	5,422
Gains on the sale of tangible fixed assets	-	-	-	-	106,994
	<u>-</u>	<u>41,085</u>	<u>-</u>	<u>41,085</u>	<u>113,364</u>
Total 2021	<u>-</u>	<u>113,364</u>	<u>-</u>	<u>113,364</u>	

South Eastern Baptist Association

Notes to the Financial Statements (continued) For the Year Ended 31 December 2022

6. EXPENDITURE ON CHARITABLE ACTIVITIES

	Unrestricted Funds		Restricted	Total	Total
	Designated	General	Funds	2022	2021
	£	£	£	£	£
Wages and salaries (note 11)	-	131,744	59,813	191,557	180,499
Staff Employers NIC (note 11)	-	5,765	4,976	10,741	10,006
Staff pensions (note 11)	-	13,179	7,547	20,726	19,695
Rent	-	-	16,978	16,978	21,478
Council tax and water rates	-	6,480	14,832	21,312	11,300
Property maintenance	-	(775)	190,755	189,980	2,365
Small equipment	-	-	351	351	3,629
Student grants	-	148	-	148	1,733
Training and conferences	-	23,611	62	23,673	10,789
Travelling	-	12,637	4,695	17,332	6,999
Housing allowance	-	24,100	-	24,100	12,900
Insurance	-	1,067	-	1,067	967
Telephone	-	-	367	367	949
Sundry expenses	-	9,009	13,624	22,633	14,661
Ministry grant paid	-	57,486	-	57,486	58,225
Advertising	-	-	1,813	1,813	-
Professional and legal fees	-	-	60,904	60,904	7,295
Printing, postage and stationery	-	-	1,676	1,676	179
Accountancy fees	-	5,001	-	5,001	7,452
Depreciation	-	3,263	-	3,263	3,263
Support costs (note 7)	-	40,040	-	40,040	23,526
	-	332,755	378,393	711,148	397,910
Total 2021	-	266,995	130,915	397,910	

South Eastern Baptist Association

Notes to the Financial Statements (continued) For the Year Ended 31 December 2022

7. ANALYSIS OF SUPPORT COSTS

	Unrestricted Funds		Restricted	Total	Total
	Designated	General	Funds	2022	2021
	£	£	£	£	£
Employment costs	-	52	-	52	-
Rental property costs	-	12,004	-	12,004	4,834
Insurance	-	1,593	-	1,593	1,492
Equipment	-	3,655	-	3,655	1,496
Telephone	-	2,832	-	2,832	3,078
Printing, postage and stationery	-	534	-	534	741
Trade subscriptions	-	3,130	-	3,130	2,891
Sundry expenses	-	4,880	-	4,880	7,923
Travel	-	3,624	-	3,624	1,311
Board costs	-	141	-	141	-
Interest payable (note 8)	-	7,595	-	7,595	(240)
	-	40,040	-	40,040	23,526
Total 2021	-	23,165	361	23,526	

8. INTEREST PAYABLE

	Total 2022 £	Total 2021 £
Other loans	-	(1,177)
Interest on net defined benefit pension liability (note 19)	7,595	937
	7,595	(240)

9. INDEPENDENT EXAMINATION FEE

This is stated after charging:	Total 2022 £	Total 2021 £
Independent examination fee	4,560	4,140
Over accrual previous year		110
	4,560	4,250

South Eastern Baptist Association

Notes to the Financial Statements (continued) For the Year Ended 31 December 2022

10. TRUSTEE REMUNERATION AND EXPENSES

During the year the association made transactions with trustees, all of which the trustees considered are permitted by the charity's commission.

Although no longer trustees, below are the trustees who received full time salaries from the association, with Revd Kerley's wife, who is not a trustee, receiving a part time salary. Trustees' remuneration is paid for ministry work and are not connected with their duties as trustees. The salaries and other benefits (including employers pension contributions) paid in the year are set out below:

	2022 £	2021 £
Revd P J Kerley	36,543	35,807
Revd S Davison	28,334	41,873
Mrs P Kerley	10,256	12,374
Revd J L Hunt	24,451	-
	<u> </u>	<u> </u>

During the year, 3 (2021: 3) trustees were reimbursed for mileage and telephone expenses amounting to £ 10,879 (2021: £5,746)

11. STAFF COSTS

Staff costs were as follows:

	2022 £	2021 £
Wages and salaries	191,557	180,499
Social security costs	10,741	10,006
Pension Costs	20,726	19,695
	<u> </u>	<u> </u>
	<u>223,024</u>	<u>210,200</u>

The monthly average number of persons (including senior management team) employed by the charity during the year (per headcount) were as follows:

	2022 No	2021 No
Full Time Staff	5	5
Part Time Staff	5	5
	<u> </u>	<u> </u>
	<u>10</u>	<u>10</u>

No employee received employee benefits (excluding employer pension costs) of more than £60,000 in either the current year or prior year.

The key management of the association comprise of the trustees and the senior management team noted on page 3. The total employee benefits of the key management personnel of the charity was £110,976 (2021: £97,948)

South Eastern Baptist Association

Notes to the Financial Statements (continued) For the Year Ended 31 December 2022

12. TANGIBLE FIXED ASSETS

	Land and Buildings £	Furniture and Equipment £	Total £
Cost			
At 1 January 2022	163,160	4,919	168,079
Disposals	(159,908)	-	(159,908)
	<u>3,252</u>	<u>4,919</u>	<u>8,171</u>
At 31 December 2022			
Depreciation			
At 1 January 2022	6,526	4,919	11,445
Depreciation charge	3,263	-	3,263
Disposals	(9,594)	-	(9,594)
	<u>195</u>	<u>4,919</u>	<u>5,114</u>
At 31 December 2022			
Carrying amount			
At 31 December 2021	156,634	-	156,634
	<u>3,057</u>	<u>-</u>	<u>3,057</u>
At 31 December 2022			

13. INVESTMENT PROPERTY

	Total £
Fair value	
At 1 January 2022	587,500
FV gains/losses on investment properties	(25,000)
	<u>562,500</u>
At 31 December 2022	

The disposal relates to the sale of the manse in Northfleet following the closure of that project.

14. FIXED ASSET INVESTMENTS

	Listed Investments £	Unlisted Investments £	Subsidiary - Bread of Life £ (See note 25)	Total £
Market Value				
At 1 January 2022	157,646	12,015	10	169,671
Additions	-	-	-	-
Disposals	-	-	-	-
Revaluations	(17,564)	-	-	(17,564)
	<u>140,082</u>	<u>12,015</u>	<u>10</u>	<u>152,107</u>
At 31 December 2022				

All investments are held in the UK.

The unlisted investment relates to 2,403 ordinary shares held in Baptist Insurance Company Plc (registered company number 00083597) a public company limited by shares. As these shares are not actively traded through Stock Markets, no market value can be obtained, resulting in the shares being valued at historic cost.

South Eastern Baptist Association

Notes to the Financial Statements (continued) For the Year Ended 31 December 2022

15. DEBTORS

	2022	2021
	£	£
Loans to churches	178,477	247,877
Prepayments and accrued income	1,200	18,200
Other debtors	6,093	6,093
	<u>185,770</u>	<u>272,170</u>

The loans to churches are generally expected to be received after one year.

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Trade creditors	-	2,000
Other creditors	274	271
Other loans	-	-
Accruals and deferred income	43,513	13,716
	<u>43,787</u>	<u>15,987</u>

16A. DEFERRED INCOME

	2022	2021
	£	£
At 1 January 2022	9,746	-
Amounts released during the year	(9,746)	-
Amounts deferred during the year	37,382	9,746
At 31 December 2022	<u>37,382</u>	<u>9,746</u>

Income has been deferred as it was received in advance of the conference held in 2023.

17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2022	2021
	£	£
Other loans	<u>75,000</u>	<u>75,000</u>

Other loans include aggregate amounts of £nil (2021: £nil) which fall due after five years and which are payable by instalments.

South Eastern Baptist Association

Notes to the Financial Statements (continued) For the Year Ended 31 December 2022

18. PROVISION FOR LIABILITIES

	2022	2021
	£	£
Defined Benefit pension scheme liability (note 19)	-	59,200

19. PENSION COMMITMENT

Background

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

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

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

The Regional Ministers and some members of the Association Team are eligible to join 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 Legal and General Life Assurance Society Limited. 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 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 plc. The further 4% contribution rate is reduced to 3% for Employer contributions made to the Segregated DC Arrangement.

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 defined benefit 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.

Actuarial valuation as at 31 December 2019

A formal valuation of the Defined Benefit (DB) Plan 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%). The Association and the other employers supporting the DB Plan are collectively responsible for funding this deficit.

South Eastern Baptist Association

Notes to the Financial Statements (continued) For the Year Ended 31 December 2022

19. PENSION COMMITMENT – continued

The key assumptions underlying the valuation were as follows:

Type of assumption	% p.a.
RPI price inflation assumption	3.20
CPI price inflation assumption	2.70
Minimum Pensionable Income increases	3.20
Assumed investment returns	
• Pre-retirement	2.95
• Post-retirement	1.70
Deferred pension increases	
• Pre-April 2009	3.20
• Post-April 2009	2.50
Pension increases	
• Main Scheme pension	2.70

Post-retirement mortality in accordance with 80% of the S3NFA and S3NMA tables, with allowance for future improvements in mortality rates from 2013 in line with the CMI 2020 core projections, with a long-term annual rate of improvement of 1.75% for males and 1.5% for females, with the core smoothing parameter and with additional initial mortality improvement factor A=0.5%.

The next actuarial valuation of the DB Plan within the Scheme is due to take place not later than as at 31 December 2023.

Recovery Plan

In addition to the contributions to the DC Plan set out above, where a valuation of the DB Plan reveals a deficit the Trustee and the Council agree to a rate of deficiency contributions from associations, churches and other employers involved in the DB Plan.

Under the current Recovery Plan dated 30 September 2020, deficiency contributions are payable until 30 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. However, the Trustee and the Council agreed a 50% reduction for all deficiency contributions payable between 1 July 2020 and 31 December 2020.

Movement in Balance Sheet liability

The movement in the provision is set out in the table below.

	2022	2021
	£	£
Balance brought forward	59,200	74,696
Contributions paid in the year	(7,595)	(12,823)
Net interest expense		937
Loss/(gain) on change of funding plan*	(51,605)	(3,610)
Balance carried forward	-	59,200

* Comprises any change in agreed deficit recovery plan and change in assumptions between year-ends. During the year, the Church was asked to now pay £1 a month towards the deficit, thus reducing the liability to £Nil.

South Eastern Baptist Association

Notes to the Financial Statements (continued) For the Year Ended 31 December 2022

19. PENSION COMMITMENT – continued

This liability represents the present value of the deficit contributions agreed as at the accounting date and has been valued using the following assumptions set by reference to the duration of the deficit recovery payments:

	31 December 2022	31 December 2021	31 December 2020
Discount rate	2.0%	2.0%	0.4%
Future increases to MPI (Minimum Pensionable Income)	4.1%	4.1%	3.0%

The Association has been advised that the cost for the Association to buyout their Pension Scheme liabilities as at 31 December 2022 was approximately £Nil (2021: £57,100).

South Eastern Baptist Association

Notes to the Financial Statements (continued) For the Year Ended 31 December 2022

20. STATEMENT OF FUNDS

STATEMENT OF FUNDS – CURRENT YEAR

	Balance at 1 January 2022 £	Incoming Resources £	Resources Expended £	Transfers & Gains/ (losses) £	Balance at 30 December 2022 £
Unrestricted funds					
General funds					
Revaluation reserve	104,394	-	-	(25,000)	79,394
Unrestricted income fund	586,316	298,172	(275,269)	(197,936)	411,283
	<u>690,710</u>	<u>298,172</u>	<u>(275,269)</u>	<u>(222,936)</u>	<u>490,677</u>
Home Mission grant for missions	-	100	(57,486)	-	(57,386)
Building loan fund	517,980	4,000	-	-	521,980
Capital reserve	250,883	-	-	-	250,883
Investment reserve	7,065	-	-	-	7,065
Zion fund	75,000	-	-	-	75,000
The Evangelism fund	14,765	-	-	-	14,765
Le Ferve	3,287	-	-	-	3,287
	<u>868,980</u>	<u>4,100</u>	<u>(57,486)</u>	<u>-</u>	<u>815,594</u>
Total unrestricted fund	<u>1,559,690</u>	<u>302,272</u>	<u>(332,755)</u>	<u>(222,936)</u>	<u>1,306,271</u>
Restricted funds					
Cavendish fund	88,193	-	-	-	88,193
Brasted fund	74,205	-	-	-	74,205
Church of the year fund	-	-	-	-	-
Fresh Expressions	161	-	-	-	161
Kent Union fund	2,108	-	-	-	2,108
Kent Thameside Church Planting Project	21,138	64,634	(57,266)	-	28,506
Baptist Grant	6,931	-	-	-	6,931
Northfleet Project	-	4,443	(19,231)	14,788	-
KTCP Bus Project	11,405	-	-	-	11,405
Bread of Life Project	3,769	27,817	(301,896)	270,310	-
	<u>207,910</u>	<u>96,894</u>	<u>(378,393)</u>	<u>285,098</u>	<u>211,509</u>
Total restricted fund	<u>207,910</u>	<u>96,894</u>	<u>(378,393)</u>	<u>285,098</u>	<u>211,509</u>
Total funds	<u>1,767,600</u>	<u>399,166</u>	<u>(711,148)</u>	<u>62,162</u>	<u>1,517,780</u>

South Eastern Baptist Association

Notes to the Financial Statements (continued) For the Year Ended 31 December 2022

20. STATEMENT OF FUNDS – continued

The specific purposes for which the funds are to be applied are as follows:

Restricted funds

Cavendish Fund & Brasted Fund - These restricted reserves relate to monies received at the time of a church closure, which can only be used to purchase property.

Fresh Expressions - These funds are used to run Mission Shaped Ministry courses in conjunction with the Fresh Expressions training organisation, offering the opportunity for ministers to engage in concepts, or fresh expressions of church which will connect with those people currently missing from our congregation.

Kent Union Fund - Income received from the Kent Union Fund is used for the benefit of needy retired ministers or their spouses.

Kent Thameside Church Plant Project - This is a long-term project in which the Association is engaged at the Kent Thameside Development. The project has funds in both designated and restricted accounts.

Baptist Grant - Monies received from the Baptist Union for a specific Mission Project.

Northfleet Project – although part of the Kent Thameside Church Plant Project operated in the Northfleet North area with its own pioneer minister. Funding of the project was provided by SEBA each year to balance the costs involved and transferred accordingly.

KTCP Bus Project – relates to funds received towards the purchase of a vehicle or other work within the project.

Bread of Life Project – A pioneering mission project to transform a disused church building, in a parade of shops in Strood, into a coffee shop – bakery – church to serve the local community and establish a worshipping community.

South Eastern Baptist Association

Notes to the Financial Statements (continued) For the Year Ended 31 December 2022

20. STATEMENT OF FUNDS – continued

STATEMENT OF FUNDS – PRIOR YEAR

	Balance at 1 January 2021 £	Incoming Resources £	Resources Expended £	Transfers & Gains/ (losses) £	Balance at 30 December 2021 £
Unrestricted funds					
General funds					
Revaluation reserve	46,394	-	-	58,000	104,394
Unrestricted income fund	412,845	427,092	(207,556)	(46,065)	586,316
	<u>459,239</u>	<u>427,092</u>	<u>(207,556)</u>	<u>11,935</u>	<u>690,710</u>
Home Mission grant for missions	-	8,370	(58,225)	49,855	-
Building loan fund	515,224	3,970	(1,214)	-	517,980
Capital reserve	250,883	-	-	-	250,883
Investment reserve	7,065	-	-	-	7,065
Zion fund	75,000	-	-	-	75,000
The Evangelism fund	14,765	-	-	-	14,765
Le Ferve	3,287	-	-	-	3,287
	<u>866,224</u>	<u>12,340</u>	<u>(59,439)</u>	<u>49,855</u>	<u>868,980</u>
Total unrestricted fund	<u>1,325,463</u>	<u>439,432</u>	<u>(266,995)</u>	<u>61,790</u>	<u>1,559,690</u>
Restricted funds					
Cavendish fund	88,193	-	-	-	88,193
Brasted fund	74,205	-	-	-	74,205
Church of the year fund	10,700	500	-	(11,200)	-
Fresh Expressions	161	-	-	-	161
Kent Union fund	2,108	-	-	-	2,108
Kent Thameside Church Planting Project	18,817	57,251	(54,930)	-	21,138
Baptist Grant	6,931	-	-	-	6,931
Northfleet Project	-	3,591	(21,339)	17,748	-
KTCP Bus Project	11,405	-	-	-	11,405
Bread of Life Project	23,320	23,895	(54,646)	11,200	3,769
	<u>235,840</u>	<u>85,237</u>	<u>(130,915)</u>	<u>17,748</u>	<u>207,910</u>
Total restricted fund	<u>235,840</u>	<u>85,237</u>	<u>(130,915)</u>	<u>17,748</u>	<u>207,910</u>
Total funds	<u>1,561,303</u>	<u>524,669</u>	<u>(397,910)</u>	<u>79,538</u>	<u>1,767,600</u>

South Eastern Baptist Association

Notes to the Financial Statements (continued) For the Year Ended 31 December 2022

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS – CURRENT YEAR

	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £
Tangible fixed assets	3,057	-	3,057
Investment Property	562,500	-	562,500
Fixed asset investments	152,108	-	152,108
Current assets	707,393	211,509	918,902
Creditors due within one year	(43,787)	-	(43,787)
Creditors due in more than one year	(75,000)	-	(75,000)
Provisions for liabilities and charges	-	-	-
	<u>1,306,271</u>	<u>211,509</u>	<u>1,517,780</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS – PRIOR YEAR

	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £
Tangible fixed assets	156,634	-	156,634
Investment Property	587,500	-	587,500
Fixed asset investments	169,671	-	169,671
Current assets	796,082	207,910	1,003,992
Creditors due within one year	(15,997)	-	(15,997)
Creditors due in more than one year	(75,000)	-	(75,000)
Provisions for liabilities and charges	(59,200)	-	(59,200)
	<u>1,559,690</u>	<u>207,910</u>	<u>1,767,600</u>

South Eastern Baptist Association

Notes to the Financial Statements (continued) For the Year Ended 31 December 2022

22. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2022	2021
	£	£
Net expenditure for the year (as per Statement of Financial Activities)	(354,546)	202,687
Adjustment for:		
Depreciation charges	3,263	3,263
Fair value (gains)/losses on investment property	25,000	(58,000)
Fair value (gains)/losses on fixed asset investments	17,564	(17,928)
Dividends, interest and rents from investments	(25,303)	(43,466)
(Gain) on disposal of fixed asset	-	(106,994)
Decrease in debtors	86,400	33,080
(Decrease)/Increase in creditors	27,790	(60,121)
Defined benefit scheme finance cost adjustment	-	(11,886)
Net cash used in operating activities	(219,832)	(59,365)

23. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2022	2021
	£	£
Cash and cash equivalents	733,133	731,822
	733,133	731,822

24. RELATED PARTY TRANSACTIONS

The charity is a member of the Baptist Union of Great Britain and is in receipt of grants from the Home Mission Fund, which is part of the Baptist Union of Great Britain Group. Grants of £209,915 (2021: £256,259) were received in this respect.

25. INVESTMENT IN SUBSIDIARY

Bread of Life Ltd, is a private limited Company, registered number 13000089. The company was incorporated on the 5 November 2020 and 100% of the £10 ordinary share capital is owned by South Eastern Baptist Association, which remains unpaid at the 31 December 2022. At the year end 31 December 2022, the accounts have not been consolidated into the accounts of South Eastern Baptist Association due to the subsidiary not being material. During the period to 31 December 2022 the following was noted:

	2022
	£
Profit and Loss Account	
Turnover	3,735
Cost of sales	(3,477)
Administration expenses	(236,245)
Other operating income	259,959
Profit for the financial period	23,972
Net Assets at 31 December 2022	34,796

Accounts

Company registration number: 4292136
Charity registration number: 1093252

South Eastern Baptist Association

(A company limited by guarantee)

Annual Report and Financial Statements for the Year Ended 31 December 2021

South Eastern Baptist Association

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South Eastern Baptist Association

Reference and Administrative Details

Charity Name:	South Eastern Baptist Association
Company Registration Number:	04292136
Charity Registration Number:	1093252
Registered Office:	17 Cherry Close Burgess Hill West Sussex RH15 9PR
Trustees:	Mr M F Browning Revd M J Fanstone Revd J E Hardwick Revd J L Hunt – appointed 1 August 2022 Revd P J Kerley Revd J Newson – appointed 1 August 2022 Revd N Richardson – appointed 1 August 2022 Mr G F Sigfrid Revd P L Amos – resigned 24 May 2021 Revd P J Butchers – resigned 24 May 2021 Pastor S Collingwood – resigned 24 May 2021 Revd S W Davison – resigned 31 July 2022 Revd J E Johnstone – resigned 24 May 2021 Revd G T P McBain – resigned 24 May 2021 Revd J E Mardell – resigned 15 February 2022 Revd R C Stevens - resigned 24 May 2021
Company Secretary:	Mr D Sheldon
Senior Management Team:	Mr M F Browning, Treasurer Revd S W Davison, Team Leader & Regional Minister – resigned 31 July 2022 Revd M J Fanstone, Moderator Revd J L Hunt, Team Leader & Regional Minister - appointed 1 August 2022 Mr D Sheldon, Company Secretary
Bankers:	Reliance Bank Ltd Faith House 23-24 Lovat Lane London EC3R 8EB
Independent Examiner	Azets Audit Services Chartered Accountants 2 nd Floor, Regis House 45 King William Street London EC4R 9AN

South Eastern Baptist Association

Report of the Trustees Year Ended 31 December 2021

The Trustees, who are also directors of the Association for the purposes of company law, are pleased to submit the Annual Report and Financial Statements of the charitable company for the year ending 31 December 2021, which are prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Articles of Association and 'Accounting and Reporting By Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102 – effective 1 January 2015)' as updated by SORP Update Bulletin 1.

Objectives and activities

The objects of the charity are to advance the Christian religion, especially by means of and in accordance with the principles of the Baptist denomination as set out for the time being in the Declaration of Principles of the Baptist Union of Great Britain.

The principal activities continue to be the resourcing and envisioning of ministers and churches throughout the whole area. This is mainly achieved through personal contacts, pastoral care, and the encouragement of strategies which will achieve an expanded Christian witness and the stated objectives of the charity.

Public benefit

Having regard to the guidance published by the Charity Commission, the trustees continued to provide public benefit by seeking to advance the Christian Faith and Practice in accordance with the principles of the Baptist Denomination. The Association is a resource body for its member churches, which are all separate charities. Baptists believe that each Christian has a duty to share their faith with the wider public and recognise that the mission is not just evangelism, but also includes promoting justice, social welfare, healing, education and peace in the world.

The trustees confirm that they have complied with the requirements of section 4 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Achievements and Performance

Throughout the COVID-19 pandemic in 2021 the Association continued to support its member churches in a wide range of activities including:

- communication, including the provision of religious material via the Association's website: www.seba-baptist.org.uk;
- promoting the study of religious teachings, practices and scriptures;
- support of religious office holders, e.g. ministers, deacons and elders of member churches;
- promoting prayer, praise and provision of training events;
- pastoral support to ministers and church congregations;
- contributing to the spiritual and moral education of children and young people and the provision of training
- comply with the legal requirements regarding safeguarding.

A virtual conference of ministers and church leaders was held in 2021, and in 2022 a residential conference was held, and a future conference is planned for 2023.

South Eastern Baptist Association

Report of the Trustees Year Ended 31 December 2021

Financial review

The results of the year are set out on pages 8 to 10.

The trustees consider the fund balance at 31 December 2021 to be satisfactory and the level of reserves meets the charity's reserves policy. The inclusion of the defined benefit liability to the multi-employer pension scheme is reflected in the Balance Sheet.

At the year end the Association Building Loan Fund totalled £517,980 (2020: £515,224). No new loans (2020: £Nil) were made during the year. During 2021 the Loan Fund assisted 14 churches (2020: 14). The total amount of loans outstanding at the year-end was £247,877 (2020: £298,027).

The total fund held by the charity at the end of the financial period amounted to £1,767,600 (2020: £1,561,303) of which restricted funds not available for the general purpose of the charity amounted to £207,910 (2020: £235,840).

Policy on reserves

It is the policy of the charity to seek to maintain a level of reserves sufficient to cover 6 months' running costs.

Going concern

The trustees have considered any uncertainties in relation to the charity's future funding and are confident of the charity's ability to continue as a going concern.

Plans for future periods

The charity plans to continue to carry out its current objectives and activities and to seek further ways in which these can be more fully utilised.

Structure, governance and management

Nature of governing document

South Eastern Baptist Association is a company limited by guarantee and a registered charity. It is governed by its Memorandum and Articles of Association.

Recruitment and appointment of trustees

The power to appoint up to 5 trustees is vested in the member churches; the Moderator and the Treasurer and any Regional Ministers are also appointed by the member churches, up to 3 trustees may be co-opted by the Board of Trustees as a whole.

Induction and training of trustees

All serving trustees understand the methods and purpose of the charity. All new trustees are given sufficient training upon appointment and new guidance is notified and made available at Board meetings.

Organisational structure

The Board of Trustees is responsible for all aspects of the management and running of the charity and holds regular meetings in furtherance of those responsibilities. An organisational review was completed in 2020 creating 3 teams reporting into the trustees: Leadership Team; Network Ministers' Team; Operations Team; and together with a renamed Finance and General Purposes Committee all interlink.

Statement of Trustees' Responsibilities

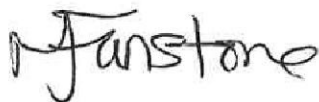
The trustees (who are also the directors of South Eastern Baptist Association for the purposes of company law) are responsible for preparing the trustees' Annual Report and the financial statements in accordance with the applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

Approved by the trustees of the charity on 20 December 2022 and signed on its behalf by:



Trustee - Revd M J Fanstone

South Eastern Baptist Association

Independent Examiner's Report to the Trustees of South Eastern Baptist Association

I report on the accounts of the South Eastern Baptist Association for the year ended 31 December 2021 set out on pages 8 to 28.

Responsibilities and basis of report

As the charity Trustees of the company (and also its directors 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 under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your company'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

Since the company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am member of The Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act 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
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

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.



J Howard FCA
For and on behalf of Azets Audit Services
Chartered Accountants
2nd Floor, Regis House
45 King William Street
London EC4R 9AN

Date: 21 December 2022

South Eastern Baptist Association
Statement of Financial Activities
(Including Income and Expenditure Account)
For the year ended 31 December 2021

	Note	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
Income and endowments from:					
Donations and legacies	2	285,881	70,147	356,028	320,219
Other trading activities	3	11,811	-	11,811	12,066
Investment income	4	28,376	15,090	43,466	46,806
Other income	5	113,364	-	113,364	283,597
Total income		439,432	85,237	524,669	662,688
Expenditure on:					
Charitable activities	6	266,995	130,915	397,910	442,049
Total expenditure		266,995	130,915	397,910	442,049
Net income/(expenditure) before investment gains/(losses)		172,437	(45,678)	126,759	220,639
Fair value gains/(losses) on investment property	13	58,000	-	58,000	46,394
Net gains/(losses) on investments	14	17,928	-	17,928	6,930
Net income/(expenditure) before transfers		248,365	(45,678)	202,687	273,963
Transfers between funds		(17,748)	17,748	-	-
Net income/(expenditure) before other recognised gains/(losses)		230,617	(27,930)	202,687	273,963
Other recognised gains/(losses)	19	3,610	-	3,610	37,357
Net movements in funds		234,227	(27,930)	206,297	311,320
Reconciliation of funds:					
Total funds brought forward	20	1,325,463	235,840	1,561,303	1,249,983
Total funds carried forward	20	1,559,690	207,910	1,767,600	1,561,303

All income and expenditure has arisen from continuing activities

All recognised gains and losses are included in the Statement of Financial Activities

The notes on pages 11 to 28 form part of these financial statements.

South Eastern Baptist Association

Balance Sheet As at 31 December 2021 (Registration number: 4292136)

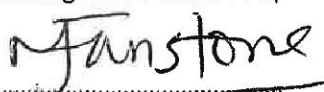
	Note	2021 £	2020 £
Fixed Assets			
Tangible assets	12	156,634	232,381
Investment property	13	587,500	529,500
Investments	14	169,671	154,974
		913,805	916,855
Current Assets			
Debtors	15	272,170	305,250
Cash at bank and in hand		731,822	565,012
		1,003,992	870,262
Creditors: Amounts falling due within one year	16	(15,997)	(52,923)
Net Current Assets		987,995	817,339
Total Current Assets less current liabilities		1,901,800	1,734,194
Creditors: Amounts falling due after more than one year	17	(75,000)	(98,195)
Provisions for liabilities: Defined benefit pension scheme liability	18	(59,200)	(74,696)
Net assets		1,767,600	1,561,303
Funds of the charity:			
Restricted funds	20	207,910	235,840
Unrestricted funds	20	1,559,690	1,325,463
Total funds		1,767,600	1,561,303

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2021. The members have not required the charitable company to obtain an audit of its financial statements for the year ended 31 December 2021 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records with comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing the financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies. The financial statements were approved by the Board on the 20 December 2022 and signed on its behalf by:



Trustee - Revd M J Fanstone

The notes on pages 11 to 28 form part of these financial statements.

South Eastern Baptist Association

Statement of Cash Flows For the year ended 31 December 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash from operating activities	22	(59,365)	235,755
		<u>(59,365)</u>	<u>235,755</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		43,466	46,806
Purchase of investment (Bread of Life subsidiary)		(10)	-
Proceeds from sale of fixed asset		179,478	-
Proceeds from sale of investments		3,241	-
		<u>226,175</u>	<u>46,806</u>
Net cash from investing activities			
Change in cash and cash equivalents in the year		166,810	282,561
Cash and cash equivalents brought forward		565,012	282,451
		<u>731,822</u>	<u>565,012</u>
Cash and cash equivalents carried forward	23		

The notes on pages 11 to 28 form part of these financial statements.

South Eastern Baptist Association

Notes to the Financial Statements For the Year Ended 31 December 2021

1. ACCOUNTING POLICIES

(a) General information and charitable company status

South Eastern Baptist Association is a charitable company, limited by guarantee, without share capital, operating in the United Kingdom. The members of the charitable company are the Trustees named on page 3. In the event of the charitable company being wound up, the liability in respect of the guarantee is limited to £10 per member. The address of the registered office is given in the charity information on page 3 of these financial statements. The nature of the charity's operations and principal activities are set out on page 4.

(b) Basis of preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. South Eastern Baptist Association meets the definition of a public benefit entity under FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charitable company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

(c) Preparation of the accounts on a going concern basis

The financial statements have been prepared on a going concern basis as the Trustees believe that no material uncertainties exist. The Trustees have considered the level of funds held and expected level of income and expenditure for 12 months from authorising these financial statements and have therefore continued to adopt the going concern basis in preparing its financial statements.

(d) Funds

Unrestricted funds – represent those funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the company and which have not been designated for other purposes.

Designated funds – represent those funds set aside by the Trustees for specific purposes.

Restricted funds – can only be used for a particular restricted purpose within the charitable objects. Restrictions arise when specified by the donor or when funds are raised for a particular restricted purpose.

(e) Income

Income is recognised in the Statement of Financial Activities when the association has entitlement to the funds; and performance conditions attached to the item(s) of income have been met; it is probable that the income will be received; and that the amount can be measured reliably.

Donations - Donations are recognised when the association has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the association before the association is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the association and it is probable that these conditions will be fulfilled in the reporting period.

Legacies – For legacies, entitlement is taken as the earlier of the date on which either: the company is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate.

South Eastern Baptist Association
Notes to the Financial Statements (continued)
For the Year Ended 31 December 2021

1. ACCOUNTING POLICIES - continued

(e) Income (continued)

Grants – Grants receivable are accounted for in the year in which they are receivable. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

Investment income - Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

(f) Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category.

Charitable activities - Charitable expenditure comprises those costs incurred by the association in the delivery of its activities and services for its beneficiaries.

Support costs - Support costs include central functions.

All expenditure is inclusive of irrecoverable VAT.

(g) Taxation

The association is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the association is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

(h) Tangible fixed assets and depreciation

Tangible fixed assets are statement at cost less accumulated depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Buildings	On a straight-line basis over 50 years
Fixtures & Equipment	100% write off immediately

Individual fixed assets costing £500 or more are capitalised at cost.

(i) Investment Property

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

(j) Fixed asset investments

Investments are held for their income generation and investment potential and are valued at market value at the reporting date where information is available. Where no market information is available, they are held at historic cost.

Investment gains and losses, whether realised or unrealised, are combined and are charged or credited to the Statement of Financial Activities.

South Eastern Baptist Association
Notes to the Financial Statements (continued)
For the Year Ended 31 December 2021

1. ACCOUNTING POLICIES - continued

(k) Debtors

Loans are considered concessionary loans as they are made by the association to further its purposes. Loans are initially measured at the amount paid, with the carrying amount adjusted subsequently to reflect repayments. There is no interest charged on the loan amounts. Where any loan made is considered to be irrecoverable an impairment loss is recognised.

Other debtors are recognised at the settlement amount. Prepayments are valued at the amount prepaid.

(l) Cash and cash equivalents

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

(m) Creditors

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

Loans are recognised and held at the amount received less any repayment amounts, the carrying amount is adjusted to reflect any interest paid. Accruals and other creditors are recognised at their settlement amount due.

(n) Provision for liabilities

Provisions are recognised when the charity has an obligation at the reporting date as a result of a past event, it is probable that the charity will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

A liability for the agreed pension scheme deficit plan has been included, in accordance with the Baptist Union Staff Pension Scheme Schedule of Contributions.

(o) Financial instruments

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

(p) Employee benefits

Defined contribution pension plans - The association participates in a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the association pays fixed contributions into a separate entity. Once the contributions have been paid the charity has no further payment obligations. The contributions are recognised as an expenditure 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 charity in an independently administered fund.

Multi-employer pension plan - The association is a member of a multi-employer plan defined pension plans. Where it is not possible for the association to obtain sufficient information to enable it to account for a plan as a defined benefit plan, it accounts for the plan as a defined contribution plan.

Where the plan is in deficit and where the charity has agreed, with the plan, to participate in a deficit funds arrangement, the charity recognised a liability for this obligation. The amount recognised is the net present value of the contribution payable under the agreement that relate to the deficit. This amount is expensed to the SOFA. The unwinding of the discount is recognised as a finance cost.

A liability for the agreed pension scheme deficit plan has been included, in accordance with the Baptist Pension Scheme Schedule of Contributions.

South Eastern Baptist Association
Notes to the Financial Statements (continued)
For the Year Ended 31 December 2021

1. ACCOUNTING POLICIES - continued

(o) Judgement and key sources of estimations uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

1) Judgements in applying the entity's accounting policies

- **Multi-employer defined pension scheme** – Certain employees participate in multi-employer defined benefit pension schemes with other organisations. In the judgement of the trustees, the association does not have sufficient information on the plan assets and liabilities to be able to reliably account for its share of the defined benefit obligation and plan assets. Therefore, the schemes are accounted for as defined contribution schemes.
- **Investment property valuation** – the valuations are prepared by the directors, based on third party valuation information.

2) Accounting estimates and assumptions

- **Multi-employer defined pension scheme: Baptist Pension Scheme** – The association has an obligation to pay a deficit funding arrangement in respect of the multi-employer defined benefit pension scheme. The present value of the obligation depends on a number of factors including the RPI rate and the discount rate on corporate bonds. Management estimates these factors in determining the new pension obligation in the balance sheet.
- **Recoverability of loans** – The recoverability of loans is assessed annually, and at the balance sheet date provisions for doubtful debts are provided based on prior year experiences.

2. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted Funds		Restricted	Total	Total
	Designated	General	Funds	2021	2020
	£	£	£	£	£
Donations from individuals	3,970	-	67,792	71,762	74,671
Grants from other charities	-	7,891	2,355	10,246	29,907
Home Mission fund grant	-	262,009	-	262,009	138,289
Home Mission grant for missions	8,370	-	-	8,370	68,436
Other income	-	539	-	539	7,225
Preaching fees	-	3,102	-	3,102	1,691
	<u>12,340</u>	<u>273,541</u>	<u>70,147</u>	<u>356,028</u>	<u>320,219</u>
Total 2020	<u>74,097</u>	<u>151,216</u>	<u>94,906</u>	<u>320,219</u>	

3. INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted Funds		Restricted	Total	Total
	Designated	General	Funds	2021	2020
	£	£	£	£	£
Membership subscriptions	-	11,811	-	11,811	12,066
	<u>-</u>	<u>11,811</u>	<u>-</u>	<u>11,811</u>	<u>12,066</u>
Total 2020	<u>-</u>	<u>12,066</u>	<u>-</u>	<u>12,066</u>	

South Eastern Baptist Association
Notes to the Financial Statements (continued)
For the Year Ended 31 December 2021

4. INVESTMENT INCOME

	Unrestricted Funds		Restricted Funds	Total 2021	Total 2020
	Designated £	General £	£	£	£
Dividend income	-	5,029	-	5,029	10,681
Interest income	-	7	-	7	-
Rental income	-	23,340	15,090	38,430	36,125
	-	28,376	15,090	43,466	46,806
Total 2020	-	32,701	14,105	46,806	

5. OTHER INCOME

	Unrestricted Funds		Restricted Funds	Total 2021	Total 2020
	Designated £	General £	£	£	£
Other income	-	948	-	948	17,286
Conference and training fees	-	5,422	-	5,422	22,659
Closure of churches	-	-	-	-	243,652
Gains on the sale of tangible fixed assets	-	106,994	-	106,994	-
	-	113,364	-	113,364	283,597
Total 2020	-	283,597	-	283,597	

South Eastern Baptist Association
Notes to the Financial Statements (continued)
For the Year Ended 31 December 2021

6. EXPENDITURE ON CHARITABLE ACTIVITIES

	Unrestricted Funds Designated £	General £	Restricted Funds £	Total 2021 £	Total 2020 £
Wages and salaries (note 11)	-	118,014	62,485	180,499	168,281
Staff Employers NIC (note 11)	-	5,038	4,968	10,006	8,388
Staff pensions (note 11)	-	12,000	7,695	19,695	17,800
Rent	-	-	21,478	21,478	18,177
Council tax and water rates	-	5,798	5,502	11,300	12,847
Property maintenance	-	558	1,807	2,365	39,565
Small equipment	-	-	3,629	3,629	5,077
Student grants	-	1,733	-	1,733	450
Training and conferences	-	10,282	507	10,789	25,007
Travelling	-	5,386	1,613	6,999	5,158
Housing allowance	-	12,900	-	12,900	17,750
Insurance	-	967	-	967	1,219
Telephone	-	-	949	949	618
Sundry expenses	-	2,214	12,447	14,661	3,020
Ministry grant paid	-	58,225	-	58,225	68,436
Electricity	-	-	-	-	2,010
Professional and legal fees	-	-	7,295	7,295	6,112
Association celebration	-	-	-	-	559
Printing, postage and stationery	-	-	179	179	603
Accountancy fees	-	7,452	-	7,452	10,050
Catering costs	-	-	-	-	525
Depreciation	-	3,263	-	3,263	4,742
Support costs (note 7)	-	23,165	361	23,526	25,655
	-	266,995	130,915	397,910	442,049
Total 2020	-	288,849	153,200	442,049	

South Eastern Baptist Association
Notes to the Financial Statements (continued)
For the Year Ended 31 December 2021

7. ANALYSIS OF SUPPORT COSTS

	Unrestricted Funds Designated £	General £	Restricted Funds £	Total 2021 £	Total 2020 £
Rental property costs	-	4,834	-	4,834	6,849
Insurance	-	1,492	-	1,492	1,396
Equipment	-	1,496	-	1,496	1,988
Telephone	-	3,078	-	3,078	3,356
Printing, postage and stationery	-	741	-	741	1,588
Trade subscriptions	-	2,530	361	2,891	2,787
Sundry expenses	-	7,923	-	7,923	3,486
Travel	-	1,311	-	1,311	1,132
Board costs	-	-	-	-	50
Interest payable (note 8)	-	(240)	-	(240)	3,023
	-	23,165	361	23,526	25,655
Total 2020	-	25,385	270	25,655	

8. INTEREST PAYABLE

	Total 2021 £	Total 2020 £
Other loans	(1,177)	1,071
Interest on net defined benefit pension liability (note 19)	937	1,952
	(240)	3,023

9. NET INCOME/(EXPENDITURE) FOR THE YEAR

	Total 2021 £	Total 2020 £
This is stated after charging:		
Independent examination fee	4,140	3,780
Over accrual previous year	110	180
	4,250	3,960

South Eastern Baptist Association
Notes to the Financial Statements (continued)
For the Year Ended 31 December 2021

10. TRUSTEE REMUNERATION AND EXPENSES

During the year the association made transactions with trustees, all of which the trustees considered are permitted by the charity's commission.

Below are the trustees who receive full time salaries from the association, with Revd Kerley's wife, who is not a trustee, receiving a part time salary. Revd Newson was appointed in 2015 and he is seconded for some of his time to another church. As such 33% of his salary recorded below is recovered by the association from that church. Trustees' remuneration is paid for ministry work and are not connected with their duties as trustees. The salaries and other benefits (including employers pension contributions) paid in the year are set out below:

	2021 £	2020 £
Revd P J Kerley	35,807	35,073
Revd S Davison	41,873	41,016
Mrs P Kerley	12,374	10,722
Revd J Newson	-	5,649
	<u> </u>	<u> </u>

During the year, 3 (2020: 4) trustees were reimbursed for mileage and telephone expenses amounting to £5,746 (2020: £5,039)

11. STAFF COSTS

Staff costs were as follows:

	2021 £	2020 £
Wages and salaries	180,499	168,281
Social security costs	10,006	8,388
Pension Costs	19,695	17,800
	<u> </u>	<u> </u>
	<u>210,200</u>	<u>194,469</u>

The monthly average number of persons (including senior management team) employed by the charity during the year (per headcount) were as follows:

	2021 No	2020 No
Full Time Staff	5	4
Part Time Staff	5	5
	<u> </u>	<u> </u>
	<u>10</u>	<u>9</u>

No employee received employee benefits (excluding employer pension costs) of more than £60,000 in either the current year or prior year.

The key management of the association comprise of the trustees and the senior management team noted on page 3. The total employee benefits of the key management personnel of the charity was £97,948 (2020: £76,189)

South Eastern Baptist Association
Notes to the Financial Statements (continued)
For the Year Ended 31 December 2021

12. TANGIBLE FIXED ASSETS

	Land and Buildings £	Furniture and Equipment £	Total £
Cost			
At 1 January 2021	237,123	4,919	242,042
Disposals	(73,963)	-	(73,963)
At 31 December 2021	163,160	4,919	168,079
Depreciation			
At 1 January 2021	4,742	4,919	9,661
Depreciation charge	3,263	-	3,263
Disposals	(1,479)	-	(1,479)
At 31 December 2021	6,526	4,919	11,445
Carrying amount			
At 31 December 2020	232,381	-	232,381
At 31 December 2021	156,634	-	156,634

13. INVESTMENT PROPERTY

	Total £
Fair value	
At 1 January 2021	529,500
Revaluations	58,000
At 31 December 2021	587,500

14. FIXED ASSET INVESTMENTS

	Listed Investments £	Unlisted Investments £	Subsidiary - Bread of Life £ (See note 25)	Total £
Market Value				
At 1 January 2021	142,959	12,015	-	154,974
Additions	-	-	10	10
Disposals	(3,241)	-	-	(3,241)
Revaluations	17,928	-	-	17,928
At 31 December 2021	157,646	12,015	10	169,671

All investments are held in the UK.

The unlisted investment relates to 2,403 ordinary shares held in Baptist Insurance Company Plc (registered company number 00083597) a public company limited by shares. As these shares are not actively traded through Stock Markets, no market value can be obtained, resulting in the shares being valued at historic cost.

South Eastern Baptist Association
Notes to the Financial Statements (continued)
For the Year Ended 31 December 2021

15. DEBTORS

	2021	2020
	£	£
Loans to churches	247,877	298,027
Prepayments and accrued income	18,200	1,130
Other debtors	6,093	6,093
	<u>272,170</u>	<u>305,250</u>

The loans to churches are generally expected to be received after one year.

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Trade creditors	2,000	2,000
Other creditors	281	271
Other loans	-	3,785
Accruals and deferred income	13,716	46,867
	<u>15,997</u>	<u>52,923</u>

16A. DEFERRED INCOME

	2021	2020
	£	£
At 1 January 2021	-	-
Amounts released during the year	-	-
Amounts deferred during the year	9,746	-
	<u>9,746</u>	<u>-</u>
At 31 December 2021	<u>9,746</u>	<u>-</u>

Income has been deferred as it was received in advance of the conference held in 2022.

17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2021	2020
	£	£
Other loans	<u>75,000</u>	<u>98,195</u>

Other loans include aggregate amounts of £nil (2020: £4,270) which fall due after five years and which are payable by instalments.

South Eastern Baptist Association
Notes to the Financial Statements (continued)
For the Year Ended 31 December 2021

18. PROVISION FOR LIABILITIES

	2021	2020
	£	£
Defined Benefit pension scheme liability (note 19)	59,200	74,696

19. PENSION COMMITMENT

Background

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

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

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

The Regional Ministers and some members of the Association Team are eligible to join 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 Legal and General Life Assurance Society Limited. 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 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 plc. The further 4% contribution rate is reduced to 3% for Employer contributions made to the Segregated DC Arrangement.

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 defined benefit 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.

Actuarial valuation as at 31 December 2019

A formal valuation of the Defined Benefit (DB) Plan 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%). The Association and the other employers supporting the DB Plan are collectively responsible for funding this deficit.

South Eastern Baptist Association
Notes to the Financial Statements (continued)
For the Year Ended 31 December 2021

19. PENSION COMMITMENT – continued

The key assumptions underlying the valuation were as follows:

Type of assumption	% p.a.
RPI price inflation assumption	3.20
CPI price inflation assumption	2.70
Minimum Pensionable Income increases	3.20
Assumed investment returns	
• Pre-retirement	2.95
• Post-retirement	1.70
Deferred pension increases	
• Pre-April 2009	3.20
• Post-April 2009	2.50
Pension increases	
• Main Scheme pension	2.70

Post-retirement mortality in accordance with 80% of the S3NFA and S3NMA tables, with allowance for future improvements in mortality rates from 2013 in line with the CMI 2020 core projections, with a long-term annual rate of improvement of 1.75% for males and 1.5% for females, with the core smoothing parameter and with additional initial mortality improvement factor A=0.5%.

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

Recovery Plan

In addition to the contributions to the DC Plan set out above, where a valuation of the DB Plan reveals a deficit the Trustee and the Council agree to a rate of deficiency contributions from associations, churches and other employers involved in the DB Plan.

Under the current Recovery Plan dated 30 September 2020, deficiency contributions are payable until 30 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. However, the Trustee and the Council agreed a 50% reduction for all deficiency contributions payable between 1 July 2020 and 31 December 2020.

Movement in Balance Sheet liability

The movement in the provision is set out in the table below.

	2021	2020
	£	£
Balance brought forward	74,696	119,552
Contributions paid in the year	(12,823)	(9,451)
Net interest expense	937	1,952
Loss/(gain) on change of funding plan*	(3,610)	(37,357)
Balance carried forward	59,200	74,696

* Comprises any change in agreed deficit recovery plan and change in assumptions between year-ends.

South Eastern Baptist Association
Notes to the Financial Statements (continued)
For the Year Ended 31 December 2021

19. PENSION COMMITMENT – continued

This liability represents the present value of the deficit contributions agreed as at the accounting date and has been valued using the following assumptions set by reference to the duration of the deficit recovery payments:

	31 December 2021	31 December 2020	31 December 2019
Discount rate	2.0%	0.4%	1.7%
Future increases to MPI (Minimum Pensionable Income)	4.1%	3.0%	3.2%

The Association has been advised that the cost for the Association to buyout their Pension Scheme liabilities as at 31 December 2021 was approximately £57,100 (2020: £86,600).

South Eastern Baptist Association

Notes to the Financial Statements (continued) For the Year Ended 31 December 2021

20. STATEMENT OF FUNDS

STATEMENT OF FUNDS – CURRENT YEAR

	Balance at 1 January 2021 £	Incoming Resources £	Resources Expended £	Transfers & Gains/ (losses) £	Balance at 30 December 2021 £
Unrestricted funds					
General funds					
Revaluation reserve	46,394	-	-	58,000	104,394
Unrestricted income fund	412,845	427,092	(207,556)	(46,065)	586,316
	<u>459,239</u>	<u>427,092</u>	<u>(207,556)</u>	<u>11,935</u>	<u>690,710</u>
Home Mission grant for missions	-	8,370	(58,225)	49,855	-
Building loan fund	515,224	3,970	(1,214)	-	517,980
Capital reserve	250,883	-	-	-	250,883
Investment reserve	7,065	-	-	-	7,065
Zion fund	75,000	-	-	-	75,000
The Evangelism fund	14,765	-	-	-	14,765
Le Ferve	3,287	-	-	-	3,287
	<u>866,224</u>	<u>12,340</u>	<u>(59,439)</u>	<u>49,855</u>	<u>868,980</u>
Total unrestricted fund	<u>1,325,463</u>	<u>439,432</u>	<u>(266,995)</u>	<u>61,790</u>	<u>1,559,690</u>
Restricted funds					
Cavendish fund	88,193	-	-	-	88,193
Brasted fund	74,205	-	-	-	74,205
Church of the year fund	10,700	500	-	(11,200)	-
Fresh Expressions	161	-	-	-	161
Kent Union fund	2,108	-	-	-	2,108
Kent Thameside Church Planting Project	18,817	57,251	(54,930)	-	21,138
Baptist Grant	6,931	-	-	-	6,931
Northfleet Project	-	3,591	(21,339)	17,748	-
KTCP Bus Project	11,405	-	-	-	11,405
Bread of Life Project	23,320	23,895	(54,646)	11,200	3,769
	<u>235,840</u>	<u>85,237</u>	<u>(130,915)</u>	<u>17,748</u>	<u>207,910</u>
Total restricted fund	<u>235,840</u>	<u>85,237</u>	<u>(130,915)</u>	<u>17,748</u>	<u>207,910</u>
Total funds	<u>1,561,303</u>	<u>524,669</u>	<u>(397,910)</u>	<u>79,538</u>	<u>1,767,600</u>

South Eastern Baptist Association
Notes to the Financial Statements (continued)
For the Year Ended 31 December 2021

20. STATEMENT OF FUNDS – continued

The specific purposes for which the funds are to be applied are as follows:

General funds

Home Mission - This is a Baptist Union fund into which all Baptist Churches are expected to give as they are able in order to finance churches or church projects which of themselves have insufficient resources.

Building Loan Fund - Monies designated for use by the Association to assist member churches in respect of property purchase, major improvements and major repairs.

Capital Reserve - Capital income available for the general purpose of the Association mainly used in connection with the purchase of properties.

Investment Reserve - Funds transferred from the General Fund to enable the original Association to purchase shares from the Baptist Insurance Company plc.

Zion Fund - Funds received from the closure of a church for the general purposes of Kent Baptist Association and used to purchase a Manse for the Regional Minister.

The Evangelism Fund - These relate to funds held in investments, previously held by the Baptist Union, transferred to the charity during 2013.

La Ferve - This is a Baptist Union fund which was transferred across to SEBA in earlier years. The funds are held for Mission work.

Restricted funds

Cavendish Fund & Brasted Fund - These restricted reserves relate to monies received at the time of a church closure, which can only be used to purchase property.

Church of the Year Fund - The Church of the Year is a church with a special project, usually a building project, selected by the Association to receive help from other Association churches as they are able. At the year end the balance of £11,200 was transferred to Bread of Life. This was because the Church of the year project for the last few years has been the Bread of Life project and therefore the final balance was used to fund the project during the year.

Fresh Expressions - These funds are used to run Mission Shaped Ministry courses in conjunction with the Fresh Expressions training organisation, offering the opportunity for ministers to engage in concepts, or fresh expressions of church which will connect with those people currently missing from our congregation.

Kent Union Fund - Income received from the Kent Union Fund is used for the benefit of needy retired ministers or their spouses.

Kent Thameside Church Plant Project - This is a long-term project in which the Association is engaged at the Kent Thameside Development. The project has funds in both designated and restricted accounts.

Baptist Grant - Monies received from the Baptist Union for a specific Mission Project.

Northfleet Project – although part of the Kent Thameside Church Plant Project operated in the Northfleet North area with its own pioneer minister. Funding of the project was provided by SEBA each year to balance the costs involved and transferred accordingly.

KTCP Bus Project – relates to funds received towards the purchase of a vehicle or other work within the project.

Bread of Life Project – A pioneering mission project to transform a disused church building, in a parade of shops in Strood, into a coffee shop – bakery – church to serve the local community and establish a worshipping community.

South Eastern Baptist Association

Notes to the Financial Statements (continued) For the Year Ended 31 December 2021

20. STATEMENT OF FUNDS – continued

STATEMENT OF FUNDS – PRIOR YEAR

	Balance at 1 January 2020 £	Incoming Resources £	Resources Expended £	Transfers & Gains/ (losses) £	Balance at 30 December 2020 £
Unrestricted funds					
General funds					
Revaluation reserve	-	-	-	46,394	46,394
Unrestricted income fund	195,592	479,580	(220,413)	(41,814)	412,845
	<u>195,592</u>	<u>479,580</u>	<u>(220,413)</u>	<u>4,480</u>	<u>459,239</u>
Home Mission grant for missions	-	68,436	(68,436)	-	-
Building loan fund	509,563	5,661	-	-	515,224
Capital reserve	250,883	-	-	-	250,883
Investment reserve	7,065	-	-	-	7,065
Zion fund	75,000	-	-	-	75,000
The Evangelism fund	14,765	-	-	-	14,765
Le Ferve	3,287	-	-	-	3,287
	<u>860,563</u>	<u>74,097</u>	<u>(68,436)</u>	<u>-</u>	<u>866,224</u>
Total unrestricted fund	<u>1,056,155</u>	<u>553,677</u>	<u>(288,849)</u>	<u>4,480</u>	<u>1,325,463</u>
Restricted funds					
Cavendish fund	88,193	-	-	-	88,193
Brasted fund	74,205	-	-	-	74,205
Church of the year fund	500	10,200	-	-	10,700
Fresh Expressions	161	-	-	-	161
Kent Union fund	2,108	-	-	-	2,108
Kent Thameside Church Planting Project	-	63,156	(44,339)	-	18,817
Ellington Baptist Church Fund	10,325	-	(10,325)	-	-
Baptist Grant	6,931	-	-	-	6,931
Northfleet Project	-	9,088	(20,632)	11,544	-
KTCP Bus Project	11,405	-	-	-	11,405
Bread of Life Project	-	26,567	(77,904)	74,657	23,320
	<u>193,828</u>	<u>109,011</u>	<u>(153,200)</u>	<u>86,201</u>	<u>235,840</u>
Total restricted fund	<u>193,828</u>	<u>109,011</u>	<u>(153,200)</u>	<u>86,201</u>	<u>235,840</u>
Total funds	<u>1,249,983</u>	<u>662,688</u>	<u>(442,049)</u>	<u>90,681</u>	<u>1,561,303</u>

South Eastern Baptist Association

Notes to the Financial Statements (continued) For the Year Ended 31 December 2021

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS – CURRENT YEAR

	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £
Tangible fixed assets	156,634	-	156,634
Investment Property	587,500	-	587,500
Fixed asset investments	169,671	-	169,671
Current assets	796,082	207,910	1,003,992
Creditors due within one year	(15,997)	-	(15,997)
Creditors due in more than one year	(75,000)	-	(75,000)
Provisions for liabilities and charges	(59,200)	-	(59,200)
	<u>1,559,690</u>	<u>207,910</u>	<u>1,767,600</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS – PRIOR YEAR

	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total Funds 2020 £
Tangible fixed assets	232,381	-	232,381
Investment Property	529,500	-	529,500
Fixed asset investments	154,974	-	154,974
Current assets	634,422	235,840	870,262
Creditors due within one year	(52,923)	-	(52,923)
Creditors due in more than one year	(98,195)	-	(98,195)
Provisions for liabilities and charges	(74,696)	-	(74,696)
	<u>1,325,463</u>	<u>235,840</u>	<u>1,561,303</u>

South Eastern Baptist Association
Notes to the Financial Statements (continued)
For the Year Ended 31 December 2021

22. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2021 £	2020 £
Net expenditure for the year (as per Statement of Financial Activities)	202,687	273,963
Adjustment for:		
Depreciation charges	3,263	4,742
Fair value (gains)/losses on investment property	(58,000)	(46,394)
Fair value (gains)/losses on fixed asset investments	(17,928)	(6,930)
Dividends, interest and rents from investments	(43,466)	(46,806)
(Gain) on disposal of fixed asset	(106,994)	-
Decrease in debtors	33,080	55,145
(Decrease)/Increase in creditors	(60,121)	9,534
Defined benefit scheme finance cost adjustment	(11,886)	(7,499)
Net cash used in operating activities	(59,365)	235,755

23. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2021 £	2020 £
Cash and cash equivalents	731,822	565,012
	731,822	565,012

24. RELATED PARTY TRANSACTIONS

The charity is a member of the Baptist Union of Great Britain and is in receipt of grants from the Home Mission Fund, which is part of the Baptist Union of Great Britain Group. Grants of £256,259 (2020: £207,816) were received in this respect.

25. INVESTMENT IN SUBSIDIARY

Bread of Life Ltd, is a private limited Company, registered number 13000089. The company was incorporated on the 5 November 2020 and 100% of the £10 ordinary share capital is owned by South Eastern Baptist Association, which remains unpaid at the 31 December 2021. At the year end 31 December 2021, the accounts have not been consolidated into the accounts of South Eastern Baptist Association due to the subsidiary not being material. During the period to 31 December 2021 the following was noted:

	2021 £
Profit and Loss Account	
Turnover	776
Cost of sales	(335)
Administration expenses	(2,136)
Interest receivable and similar income	12,363
Profit for the financial period	10,668
Net Assets at 31 December 2021	10,678

Accounts

Company registration number: 4292136
Charity registration number: 1093252

South Eastern Baptist Association

(A company limited by guarantee)

Annual Report and Financial Statements for the Year Ended 31 December 2020

South Eastern Baptist Association

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South Eastern Baptist Association

Reference and Administrative Details

Charity Name:	South Eastern Baptist Association
Company Registration Number:	04292136
Charity Registration Number:	1093252
Registered Office:	17 Cherry Close Burgess Hill West Sussex RH15 9PR
Trustees:	Mr M F Browning Revd S W Davison Revd M J Fanstone Revd J E Hardwick Revd P J Kerley Revd J E Mardell Mr G F Sigfrid Revd P L Amos – resigned 24 May 2021 Revd P J Butchers – resigned 24 May 2021 Pastor S Collingwood – resigned 24 May 2021 Revd J E Johnstone – appointed 1 January 2020 and resigned 24 May 2021 Revd G T P McBain – appointed 1 January 2020 and resigned 24 May 2021 Revd J G Newson – resigned 30 April 2020 Revd R C Stevens - resigned 24 May 2021
Senior Management Team:	Mr M F Browning, Treasurer Revd S W Davison, Team Leader & Regional Minister Revd M J Fanstone, Moderator Mr D Sheldon, Company Secretary
Bankers:	Reliance Bank Ltd Faith House 23-24 Lovat Lane London EC3R 8EB
Independent Examiner	Azets Audit Services Chartered Accountants 2 nd Floor, Regis House 45 King William Street London EC4R 9AN

South Eastern Baptist Association

Report of the Trustees Year Ended 31 December 2020

The Trustees, who are also directors of the Association for the purposes of company law, are pleased to submit the Annual Report and Financial Statements of the charitable company for the year ending 31 December 2020, which are prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Articles of Association and 'Accounting and Reporting By Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102 – effective 1 January 2015)' as updated by SORP Update Bulletin 1.

Objectives and activities

The objects of the charity are to advance the Christian religion, especially by means of and in accordance with the principles of the Baptist denomination as set out for the time being in the Declaration of Principles of the Baptist Union of Great Britain.

The principal activities continue to be the resourcing and envisioning of ministers and churches throughout the whole area. This is mainly achieved through personal contacts, pastoral care, and the encouragement of strategies which will achieve an expanded Christian witness and the stated objectives of the charity.

Public benefit

Having regard to the guidance published by the Charity Commission, the trustees continued to provide public benefit by seeking to advance the Christian Faith and Practice in accordance with the principles of the Baptist Denomination. The Association is a resource body for its member churches, which are all separate charities. Baptists believe that each Christian has a duty to share their faith with the wider public and recognise that the mission is not just evangelism, but also includes promoting justice, social welfare, healing, education and peace in the world.

The trustees confirm that they have complied with the requirements of section 4 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Achievements and Performance

Throughout the COVID-19 pandemic in 2020 the Association continued to support its member churches in a wide range of activities including:

- communication, including the provision of religious material via the Association's website: www.seba-baptist.org.uk;
- promoting the study of religious teachings, practices and scriptures;
- support of religious office holders, e.g. ministers, deacons and elders of member churches;
- promoting prayer, praise and provision of training events;
- pastoral support to ministers and church congregations;
- contributing to the spiritual and moral education of children and young people and the provision of training
- comply with the legal requirements regarding safeguarding.

A residential conference of ministers and church leaders was held in 2020, and in 2021 a successful virtual conference was held, and a future conference is planned for 2022.

South Eastern Baptist Association

Report of the Trustees Year Ended 31 December 2020

Financial review

The results of the year are set out on pages 8 to 10.

The trustees consider the fund balance at 31 December 2020 to be satisfactory and the level of reserves meets the charity's reserves policy. The inclusion of the defined benefit liability to the multi-employer pension scheme is reflected in the Balance Sheet.

At the year end the Association Building Loan Fund totalled £515,224 (2019: £509,563). No new loans (2019: £80,000) were made during the year. During 2020 the Loan Fund assisted 14 churches (2019: 16). The total amount of loans outstanding at the year-end was £298,027 (2019: £347,927).

The total fund held by the charity at the end of the financial period amounted to £1,561,303 (2019: £1,249,983) of which restricted funds not available for the general purpose of the charity amounted to £235,840 (2019: £193,828).

Policy on reserves

It is the policy of the charity to seek to maintain a level of reserves sufficient to cover 6 months' running costs.

Going concern

The trustees have considered any uncertainties in relation to the charity's future funding and are confident of the charity's ability to continue as a going concern.

Plans for future periods

The charity plans to continue to carry out its current objectives and activities and to seek further ways in which these can be more fully utilised.

Structure, governance and management

Nature of governing document

South Eastern Baptist Association is a company limited by guarantee and a registered charity. It is governed by its Memorandum and Articles of Association.

Recruitment and appointment of trustees

The power of appointing nine trustees as, Network Representatives, is vested in the member Churches of the Network, and the remainder is vested in the Board of trustees as a whole.

Induction and training of trustees

All serving trustees understand the methods and purpose of the charity. All new trustees are given sufficient training upon appointment and new guidance is notified and made available at Board meetings.

Organisational structure

The Board of Trustees is responsible for all aspects of the management and running of the charity and holds regular meetings in furtherance of those responsibilities. An organisational review was completed in 2020 creating 3 teams reporting into the trustees: Leadership Team; Network Ministers' Team; Operations Team; and together with a renamed Finance and General Purposes Committee all interlink.

South Eastern Baptist Association

Report of the Trustees Year Ended 31 December 2020

Statement of Trustees' Responsibilities

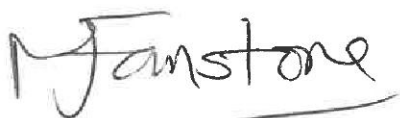
The trustees (who are also the directors of South Eastern Baptist Association for the purposes of company law) are responsible for preparing the trustees' Annual Report and the financial statements in accordance with the applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

Approved by the trustees of the charity on 30 November 2021 and signed on its behalf by:



Trustee - Revd M J Fanstone

South Eastern Baptist Association

Independent Examiner's Report to the Trustees of South Eastern Baptist Association

I report on the accounts of the South Eastern Baptist Association for the year ended 31 December 2020 set out on pages 8 to 27.

Responsibilities and basis of report

As the charity Trustees of the company (and also its directors 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 under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your company'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

Since the company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am member of The Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act 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
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

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.



J Howard FCA
For and on behalf of Azets Audit Services
Chartered Accountants
2nd Floor, Regis House
45 King William Street
London EC4R 9AN

Date: 02 December 2021

South Eastern Baptist Association
Statement of Financial Activities
(Including Income and Expenditure Account)
For the year ended 31 December 2020

	Note	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Total 2019 £
Income and endowments from:					
Donations and legacies	2	225,313	94,906	320,219	315,249
Other trading activities	3	12,066	-	12,066	10,459
Investment income	4	32,701	14,105	46,806	36,025
Other income	5	283,597	-	283,597	28,432
Total income		553,677	109,011	662,688	390,165
Expenditure on:					
Charitable activities	6	288,489	153,200	442,049	430,459
Total expenditure		288,489	153,200	442,049	430,459
Net income/(expenditure) before investment gains/(losses)		264,828	(44,189)	220,639	(40,294)
Fair value gains/(losses) on investment property	13	46,394	-	46,394	-
Net gains/(losses) on investments	14	6,930	-	6,930	20,308
Net income/(expenditure) before transfers		318,152	(44,189)	273,963	(19,986)
Transfers between funds		(86,201)	86,201	-	-
Net income/(expenditure) before other recognised gains/(losses)		231,951	42,012	273,963	(19,986)
Other recognised gains/(losses)	19	37,357	-	37,357	(5,682)
Net movements in funds		269,308	42,012	311,320	(25,668)
Reconciliation of funds:					
Total funds brought forward	20	1,056,155	193,828	1,249,983	1,275,651
Total funds carried forward	20	1,325,463	235,840	1,561,303	1,249,983

All income and expenditure has arisen from continuing activities

All recognised gains and losses are included in the Statement of Financial Activities

The notes on pages 11 to 27 form part of these financial statements.

South Eastern Baptist Association

Balance Sheet As at 31 December 2020 (Registration number: 4292136)

	Note	2020 £	2019 £
Fixed Assets			
Tangible assets	12	232,381	720,229
Investment property	13	529,500	-
Investments	14	154,974	148,045
		<u>916,855</u>	<u>868,274</u>
Current Assets			
Debtors	15	305,250	360,395
Cash at bank and in hand		565,012	282,451
		<u>870,262</u>	<u>642,846</u>
Creditors: Amounts falling due within one year	16	(52,923)	(39,605)
Net Current Assets		817,339	603,241
		<u>1,734,194</u>	<u>1,471,515</u>
Total Current Assets less current liabilities			
Creditors: Amounts falling due after more than one year	17	(98,195)	(101,980)
Provisions for liabilities: Defined benefit pension scheme liability	18	(74,696)	(119,552)
Net assets		<u>1,561,303</u>	<u>1,249,983</u>
Funds of the charity:			
Restricted funds	20	235,840	193,828
Unrestricted funds	20	1,325,463	1,056,155
Total funds		<u>1,561,303</u>	<u>1,249,983</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2020. The members have not required the charitable company to obtain an audit of its financial statements for the year ended 31 December 2020 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for:

- ensuring that the company keeps accounting records with comply with Sections 386 and 387 of the Companies Act 2006 and
- preparing the financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies. The financial statements were approved by the Board on the 30 Nov 2021 and signed on its behalf by:



Trustee - Revd M J Fanstone

The notes on pages 11 to 27 form part of these financial statements.

South Eastern Baptist Association

Statement of Cash Flows For the year ended 31 December 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash from operating activities	22	235,755	(70,054)
		<u>235,755</u>	<u>(70,054)</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		46,806	36,025
		<u>46,806</u>	<u>36,025</u>
Net cash from investing activities		46,806	(36,025)
Change in cash and cash equivalents in the year		282,561	(34,029)
Cash and cash equivalents brought forward		282,451	316,480
		<u>282,451</u>	<u>316,480</u>
Cash and cash equivalents carried forward	23	<u>565,012</u>	<u>282,451</u>

The notes on pages 11 to 27 form part of these financial statements.

South Eastern Baptist Association

Notes to the Financial Statements For the Year Ended 31 December 2020

1. ACCOUNTING POLICIES

(a) General information and charitable company status

South Eastern Baptist Association is a charitable company, limited by guarantee, without share capital, operating in the United Kingdom. The members of the charitable company are the Trustees named on page 3. In the event of the charitable company being wound up, the liability in respect of the guarantee is limited to £10 per member. The address of the registered office is given in the charity information on page 3 of these financial statements. The nature of the charity's operations and principal activities are set out on page 4.

(b) Basis of preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. South Eastern Baptist Association meets the definition of a public benefit entity under FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charitable company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

(c) Preparation of the accounts on a going concern basis

The financial statements have been prepared on a going concern basis as the Trustees believe that no material uncertainties exist. The Trustees have considered the level of funds held and expected level of income and expenditure for 12 months from authorising these financial statements and have therefore continued to adopt the going concern basis in preparing its financial statements.

(d) Funds

Unrestricted funds – represent those funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the company and which have not been designated for other purposes.

Designated funds – represent those funds set aside by the Trustees for specific purposes.

Restricted funds – can only be used for a particular restricted purpose within the charitable objects. Restrictions arise when specified by the donor or when funds are raised for a particular restricted purpose.

(e) Income

Income is recognised in the Statement of Financial Activities when the association has entitlement to the funds; and performance conditions attached to the item(s) of income have been met; it is probable that the income will be received; and that the amount can be measured reliably.

Donations - Donations are recognised when the association has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the association before the association is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the association and it is probable that these conditions will be fulfilled in the reporting period.

Legacies – For legacies, entitlement is taken as the earlier of the date on which either: the company is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate.

South Eastern Baptist Association
Notes to the Financial Statements (continued)
For the Year Ended 31 December 2020

1. ACCOUNTING POLICIES - continued

(e) Income (continued)

Grants – Grants receivable are accounted for in the year in which they are receivable. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

Investment income - Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

(f) Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category.

Charitable activities - Charitable expenditure comprises those costs incurred by the association in the delivery of its activities and services for its beneficiaries.

Support costs - Support costs include central functions.

All expenditure is inclusive of irrecoverable VAT.

(g) Taxation

The association is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the association is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

(h) Tangible fixed assets and depreciation

Tangible fixed assets are statement at cost less accumulated depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Buildings	On a straight-line basis over 50 years
Fixtures & Equipment	100% write off immediately

Individual fixed assets costing £500 or more are capitalised at cost.

(i) Investment Property

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

(j) Fixed asset investments

Investments are held for their income generation and investment potential and are valued at market value at the reporting date where information is available. Where no market information is available, they are held at historic cost.

Investment gains and losses, whether realised or unrealised, are combined and are charged or credited to the Statement of Financial Activities.

South Eastern Baptist Association
Notes to the Financial Statements (continued)
For the Year Ended 31 December 2020

1. ACCOUNTING POLICIES - continued

(k) Debtors

Loans are considered concessionary loans as they are made by the association to further its purposes. Loans are initially measured at the amount paid, with the carrying amount adjusted subsequently to reflect repayments. There is no interest charged on the loan amounts. Where any loan made is considered to be irrecoverable an impairment loss is recognised.

Other debtors are recognised at the settlement amount. Prepayments are valued at the amount prepaid.

(l) Cash and cash equivalents

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

(m) Creditors

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

Loans are recognised and held at the amount received less any repayment amounts, the carrying amount is adjusted to reflect any interest paid. Accruals and other creditors are recognised at their settlement amount due.

(n) Provision for liabilities

Provisions are recognised when the charity has an obligation at the reporting date as a result of a past event, it is probable that the charity will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

A liability for the agreed pension scheme deficit plan has been included, in accordance with the Baptist Union Staff Pension Scheme Schedule of Contributions.

(o) Financial instruments

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

(p) Employee benefits

Defined contribution pension plans - The association participates in a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the association pays fixed contributions into a separate entity. Once the contributions have been paid the charity has no further payment obligations. The contributions are recognised as an expenditure 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 charity in an independently administered fund.

Multi-employer pension plan - The association is a member of a multi-employer plan defined pension plans. Where it is not possible for the association to obtain sufficient information to enable it to account for a plan as a defined benefit plan, it accounts for the plan as a defined contribution plan.

Where the plan is in deficit and where the charity has agreed, with the plan, to participate in a deficit funds arrangement, the charity recognised a liability for this obligation. The amount recognised is the net present value of the contribution payable under the agreement that relate to the deficit. This amount is expensed to the SOFA. The unwinding of the discount is recognised as a finance cost.

A liability for the agreed pension scheme deficit plan has been included, in accordance with the Baptist Pension Scheme Schedule of Contributions.

South Eastern Baptist Association

Notes to the Financial Statements (continued) For the Year Ended 31 December 2020

1. ACCOUNTING POLICIES - continued

(o) Judgement and key sources of estimations uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

1) Judgements in applying the entity's accounting policies

- **Multi-employer defined pension scheme** – Certain employees participate in multi-employer defined benefit pension schemes with other organisations. In the judgement of the trustees, the association does not have sufficient information on the plan assets and liabilities to be able to reliably account for its share of the defined benefit obligation and plan assets. Therefore, the schemes are accounted for as defined contribution schemes.
- **Investment property valuation** – the valuations are prepared by the directors, based on third party valuation information.

2) Accounting estimates and assumptions

- **Multi-employer defined pension scheme: Baptist Pension Scheme** – The association has an obligation to pay a deficit funding arrangement in respect of the multi-employer defined benefit pension scheme. The present value of the obligation depends on a number of factors including the RPI rate and the discount rate on corporate bonds. Management estimates these factors in determining the new pension obligation in the balance sheet.
- **Recoverability of loans** – The recoverability of loans is assessed annually, and at the balance sheet date provisions for doubtful debts are provided based on prior year experiences.

2. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted Funds		Restricted Funds	Total 2020	Total 2019
	Designated £	General £	£	£	£
Donations from individuals	5,661	-	69,010	74,671	23,912
Grants from other charities	-	4,011	25,896	29,907	48,031
Home Mission fund grant	-	138,289	-	138,289	136,559
Home Mission grant for missions	68,436	-	-	68,436	87,922
Other income	-	7,225	-	7,225	14,300
Preaching fees	-	1,691	-	1,691	4,525
	<u>74,097</u>	<u>151,216</u>	<u>94,906</u>	<u>320,219</u>	<u>315,249</u>
Total 2019	<u>92,562</u>	<u>151,216</u>	<u>47,522</u>	<u>315,249</u>	

3. INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted Funds		Restricted Funds	Total 2020	Total 2019
	Designated £	General £	£	£	£
Membership subscriptions	-	12,066	-	12,066	10,459
	<u>-</u>	<u>12,066</u>	<u>-</u>	<u>12,066</u>	<u>10,459</u>
Total 2019	<u>-</u>	<u>10,459</u>	<u>-</u>	<u>10,459</u>	

South Eastern Baptist Association

Notes to the Financial Statements (continued) For the Year Ended 31 December 2020

4. INVESTMENT INCOME

	Unrestricted Funds Designated £	General £	Restricted Funds £	Total 2020 £	Total 2019 £
Dividend income	-	10,681	-	10,681	2,331
Interest income	-	-	-	-	74
Rental income	-	22,020	14,105	36,125	33,620
	-	32,701	14,105	46,806	36,025
Total 2019	-	24,200	11,825	36,025	

5. OTHER INCOME

	Unrestricted Funds Designated £	General £	Restricted Funds £	Total 2020 £	Total 2019 £
Other income	-	17,286	-	17,286	4,670
Conference and training fees	-	22,659	-	22,659	23,762
Closure of churches	-	243,652	-	243,652	-
	-	283,597	-	283,597	28,432
Total 2019	-	28,432	-	28,432	

South Eastern Baptist Association

Notes to the Financial Statements (continued) For the Year Ended 31 December 2020

6. EXPENDITURE ON CHARITABLE ACTIVITIES

	Unrestricted Funds		Restricted	Total	Total
	Designated	General	Funds	2020	2019
	£	£	£	£	£
Wages and salaries (note 11)	-	114,281	54,000	168,281	156,008
Staff Employers NIC (note 11)	-	4,257	4,131	8,388	8,167
Staff pensions (note 11)	-	10,994	6,806	17,800	17,977
Rent	-	-	18,177	18,177	8,548
Council tax and water rates	-	6,388	6,459	12,847	11,932
Property maintenance	-	3,237	36,328	39,565	750
Small equipment	-	-	5,077	5,077	1,041
Student grants	-	450	-	450	1,000
Training and conferences	-	24,929	78	25,007	46,291
Travelling	-	4,922	236	5,158	24,452
Housing allowance	-	9,000	8,750	17,750	20,800
Insurance	-	1,219	-	1,219	-
Telephone	-	-	618	618	599
Sundry expenses	-	-	3,020	3,020	2,019
Ministry grant paid	-	68,436	-	68,436	87,922
Electricity	-	-	2,010	2,010	-
Professional and legal fees	-	-	6,112	6,112	-
Association celebration	-	559	-	559	-
Printing, postage and stationery	-	-	603	603	380
Accountancy fees	-	10,050	-	10,050	5,806
Catering costs	-	-	525	525	1,644
Depreciation	-	4,742	-	4,742	-
Support costs (note 7)	-	25,385	270	25,655	35,123
	-	288,849	153,200	442,049	430,459
Total 2019	-	359,403	71,056	430,459	

South Eastern Baptist Association

Notes to the Financial Statements (continued) For the Year Ended 31 December 2020

7. ANALYSIS OF SUPPORT COSTS

	Unrestricted Funds Designated £	General £	Restricted Funds £	Total 2020 £	Total 2019 £
Employment costs	-	-	-	-	3,902
Rental property costs	-	6,849	-	6,849	9,899
Insurance	-	1,396	-	1,396	315
Equipment	-	1,988	-	1,988	1,284
Telephone	-	3,356	-	3,356	5,207
Printing, postage and stationery	-	1,588	-	1,588	3,367
Trade subscriptions	-	2,517	270	2,787	2,451
Sundry expenses	-	3,486	-	3,486	3,575
Travel	-	1,132	-	1,132	638
Board costs	-	50	-	50	369
Interest payable (note 8)	-	3,023	-	3,023	4,116
	-	25,385	270	25,655	35,123
Total 2019	-	35,002	121	35,123	

8. INTEREST PAYABLE

	Total 2020 £	Total 2019 £
Other loans	1,952	1,208
Interest on net defined benefit pension liability (note 19)	1,071	2,908
	3,023	4,116

9. NET INCOME/(EXPENDITURE) FOR THE YEAR

	Total 2020 £	Total 2019 £
This is stated after charging:		
Independent examination fee	3,960	3,500

South Eastern Baptist Association

Notes to the Financial Statements (continued) For the Year Ended 31 December 2020

10. TRUSTEE REMUNERATION AND EXPENSES

During the year the association made transactions with trustees, all of which the trustees considered are permitted by the charity's commission.

Below are the trustees who receive full time salaries from the association, with Revd Kerley's wife, who is not a trustee, receiving a part time salary. Revd Newson was appointed in 2015 and he is seconded for some of his time to another church. As such 33% of his salary recorded below is recovered by the association from that church. Trustees' remuneration is paid for ministry work and are not connected with their duties as trustees. The salaries and other benefits (including employers pension contributions) paid in the year are set out below:

	2020 £	2019 £
Revd P J Kerley	35,073	34,269
Revd S Davison	41,016	40,072
Mrs P Kerley	10,722	7,709
Revd J Newson	5,649	16,338
	<u> </u>	<u> </u>

During the year, 4 (2019: 5) trustees were reimbursed for mileage and telephone expenses amounting to £5,039 (2019: £15,837)

11. STAFF COSTS

Staff costs were as follows:

	2020 £	2019 £
Wages and salaries	168,281	156,008
Social security costs	8,388	8,167
Pension Costs	17,800	17,977
	<u>194,469</u>	<u>182,152</u>

The monthly average number of persons (including senior management team) employed by the charity during the year (per headcount) were as follows:

	2020 No	2019 No
Full Time Staff	4	5
Part Time Staff	5	5
	<u>9</u>	<u>10</u>

No employee received employee benefits (excluding employer pension costs) of more than £60,000 in either the current year or prior year.

The key management of the association comprise of the trustees only.

South Eastern Baptist Association

Notes to the Financial Statements (continued) For the Year Ended 31 December 2020

12. TANGIBLE FIXED ASSETS

	Land and Buildings £	Furniture and Equipment £	Total £
Cost			
At 1 January 2020	720,229	4,919	725,148
Transfer to investment property	(483,106)	-	(483,106)
At 31 December 2020	237,123	4,919	242,042
Depreciation			
At 1 January 2020	-	4,919	4,919
Depreciation charge	4,742	-	4,742
At 31 December 2020	4,742	4,919	9,661
Carrying amount			
At 31 December 2019	232,381	-	232,381
At 31 December 2020	720,229	-	720,229

13. INVESTMENT PROPERTY

	Total £
Fair value	
At 1 January 2020	-
Transfer from tangible fixed assets	483,106
Revaluations	46,394
At 31 December 2020	529,500

14. FIXED ASSET INVESTMENTS

	Listed Investments £	Unlisted Investments £	Total £
Market Value			
At 1 January 2020	136,031	12,015	148,046
Revaluations	6,928	-	6,928
At 31 December 2020	142,959	12,015	154,974

All investments are held in the UK.

The unlisted investment relates to 2,403 ordinary shares held in Baptist Insurance Company Plc (registered company number 00083597) a public company limited by shares. As these shares are not actively traded through Stock Markets, no market value can be obtained, resulting in the shares being valued at historic cost.

South Eastern Baptist Association

Notes to the Financial Statements (continued) For the Year Ended 31 December 2020

15. DEBTORS

	2020 £	2019 £
Loans to churches	298,027	347,927
Prepayments and accrued income	1,130	6,510
Other debtors	6,093	5,958
	<u>305,250</u>	<u>360,395</u>

The loans to churches are generally expected to be received after one year.

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Trade creditors	2,000	2,000
Other loans	3,785	3,785
Accruals	47,138	33,820
	<u>52,923</u>	<u>39,605</u>

17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2020 £	2019 £
Other loans	<u>98,195</u>	<u>101,980</u>

Other loans include aggregate amounts of £4,270 (2019: £8,055) which fall due after five years and which are payable by instalments.

18. PROVISION FOR LIABILITIES

	2020 £	2019 £
Defined Benefit pension scheme liability (note 19)	<u>74,696</u>	<u>119,552</u>

19. PENSION COMMITMENT

Background

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

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

South Eastern Baptist Association
Notes to the Financial Statements (continued)
For the Year Ended 31 December 2020

19. PENSION COMMITMENT – continued

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

The Regional Ministers and some members of the Association Team are eligible to join 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 Legal and General Life Assurance Society Limited. 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 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 plc. The further 4% contribution rate is reduced to 3% for Employer contributions made to the Segregated DC Arrangement.

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 defined benefit 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.

Actuarial valuation as at 31 December 2019

A formal valuation of the Defined Benefit (DB) Plan 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%). The Association and the other employers supporting the DB Plan are collectively responsible for funding this deficit.

The key assumptions underlying the valuation were as follows:

Type of assumption	% p.a.
RPI price inflation assumption	3.20
CPI price inflation assumption	2.70
Minimum Pensionable Income increases	3.20
Assumed investment returns	
• Pre-retirement	2.95
• Post-retirement	1.70
Deferred pension increases	
• Pre-April 2009	3.20
• Post-April 2009	2.50
Pension increases	
• Main Scheme pension	2.70

Post-retirement mortality in accordance with 80% of the S3NFA and S3NMA tables, with allowance for future improvements in mortality rates from 2013 in line with the CMI 2020 core projections, with a long-term annual rate of improvement of 1.75% for males and 1.5% for females, with the core smoothing parameter and with additional initial mortality improvement factor A=0.5%.

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

South Eastern Baptist Association
Notes to the Financial Statements (continued)
For the Year Ended 31 December 2020

19. PENSION COMMITMENT – continued

Recovery Plan

In addition to the contributions to the DC Plan set out above, where a valuation of the DB Plan reveals a deficit the Trustee and the Council agree to a rate of deficiency contributions from associations, churches and other employers involved in the DB Plan.

Under the current Recovery Plan dated 30 September 2020, deficiency contributions are payable until 30 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. However, the Trustee and the Council agreed a 50% reduction for all deficiency contributions payable between 1 July 2020 and 31 December 2020.

Movement in Balance Sheet liability

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

	2020	2019
	£	£
Balance brought forward	119,552	123,291
Contributions paid in the year	(9,451)	(12,329)
Net interest expense	1,952	2,908
Loss/(gain) on change of funding plan*	(37,357)	5,682
Balance carried forward	74,696	119,552

* Comprises any change in agreed deficit recovery plan and change in assumptions between year-ends.

This liability represents the present value of the deficit contributions agreed as at the accounting date and has been valued using the following assumptions set by reference to the duration of the deficit recovery payments:

	31 December 2020	31 December 2019	31 December 2018
Discount rate	0.4%	1.7%	2.4%
Future increases to MPI (Minimum Pensionable Income)	3.0%	3.2%	3.3%

The Association has been advised that the cost for the Association to buyout their Pension Scheme liabilities as at 31 December 2020 was approximately £86,600 (2019: £87,000).

South Eastern Baptist Association

Notes to the Financial Statements (continued) For the Year Ended 31 December 2020

20. STATEMENT OF FUNDS

STATEMENT OF FUNDS – CURRENT YEAR

	Balance at 1 January 2020 £	Incoming Resources £	Resources Expended £	Transfers & Gains/ (losses) £	Balance at 30 December 2020 £
Unrestricted funds					
General funds					
Revaluation reserve	-	-	-	46,394	46,394
Unrestricted income fund	195,592	479,580	(220,413)	(41,814)	412,845
	<u>195,592</u>	<u>479,580</u>	<u>(220,413)</u>	<u>4,480</u>	<u>459,239</u>
Home Mission grant for missions	-	68,436	(68,436)	-	-
Building loan fund	509,563	5,661	-	-	515,224
Capital reserve	250,883	-	-	-	250,883
Investment reserve	7,065	-	-	-	7,065
Zion fund	75,000	-	-	-	75,000
The Evangelism fund	14,765	-	-	-	14,765
Le Ferve	3,287	-	-	-	3,287
	<u>860,563</u>	<u>74,097</u>	<u>(68,436)</u>	<u>-</u>	<u>866,224</u>
Total unrestricted fund	<u>1,056,155</u>	<u>553,677</u>	<u>(288,849)</u>	<u>4,480</u>	<u>1,325,463</u>
Restricted funds					
Cavendish fund	88,193	-	-	-	88,193
Brasted fund	74,205	-	-	-	74,205
Church of the year fund	500	10,200	-	-	10,700
Fresh Expressions	161	-	-	-	161
Kent Union fund	2,108	-	-	-	2,108
Kent Thameside Church Planting Project	-	63,156	(44,339)	-	18,817
Ellington Baptist Church Fund	10,325	-	(10,325)	-	-
Baptist Grant	6,931	-	-	-	6,931
Northfleet Project	-	9,088	(20,632)	11,544	-
KTCP Bus Project	11,405	-	-	-	11,405
Bread of Life Project	-	26,567	(77,904)	74,657	23,320
	<u>193,828</u>	<u>109,011</u>	<u>(153,200)</u>	<u>86,201</u>	<u>235,840</u>
Total restricted fund	<u>193,828</u>	<u>109,011</u>	<u>(153,200)</u>	<u>86,201</u>	<u>235,840</u>
Total funds	<u>1,249,983</u>	<u>662,688</u>	<u>(442,049)</u>	<u>90,681</u>	<u>1,561,303</u>

South Eastern Baptist Association

Notes to the Financial Statements (continued) For the Year Ended 31 December 2020

20. STATEMENT OF FUNDS – continued

The specific purposes for which the funds are to be applied are as follows:

Cavendish Fund & Brasted Fund - These restricted reserves relate to monies received at the time of a church closure, which can only be used to purchase property.

Church of the Year Fund - The Church of the Year is a church with a special project, usually a building project, selected by the Association to receive help from other Association churches as they are able.

Fresh Expressions - These funds are used to run Mission Shaped Ministry courses in conjunction with the Fresh Expressions training organisation, offering the opportunity for ministers to engage in concepts, or fresh expressions of church which will connect with those people currently missing from our congregation.

Kent Union Fund - Income received from the Kent Union Fund is used for the benefit of needy retired ministers or their spouses.

Kent Thameside Church Plant Project - This is a long term project in which the Association is engaged at the Kent Thameside Development. The project has funds in both designated and restricted accounts.

Home Mission - This is a Baptist Union fund into which all Baptist Churches are expected to give as they are able in order to finance churches or church projects which of themselves have insufficient resources.

La Ferve - This is a Baptist Union fund which was transferred across to SEBA in earlier years. The funds are held for Mission work.

Baptist Grant - Monies received from the Baptist Union for a specific Mission Project.

Ellington Baptist Church Fund - Monies received from the Baptist Union for the sale of a Chapel in Kent.

Building Loan Fund - Monies designated for use by the Association to assist member churches in respect of property purchase, major improvements and major repairs.

Capital Reserve - Capital income available for the general purpose of the Association mainly used in connection with the purchase of properties.

Investment Reserve - Funds transferred from the General Fund to enable the original Association to purchase shares from the Baptist Insurance Company plc.

Zion Fund - Funds received from the closure of a church for the general purposes of Kent Baptist Association and used to purchase a Manse for the Regional Minister.

The Evangelism Fund - These relate to funds held in investments, previously held by the Baptist Union, transferred to the charity during 2013.

Bread of Life Project – A pioneering mission project to transform a disused church building, in a parade of shops in Strood, into a coffee shop – bakery – church to serve the local community and establish a worshipping community.

South Eastern Baptist Association

Notes to the Financial Statements (continued) For the Year Ended 31 December 2020

20. STATEMENT OF FUNDS – continued

STATEMENT OF FUNDS – PRIOR YEAR

	Balance at 1 January 2019 £	Incoming Resources £	Resources Expended £	Transfers & Gains/ (losses) £	Balance at 31 December 2019 £
Unrestricted funds					
General funds					
Unrestricted income fund	(38,340)	438,527	(271,063)	90,572	219,696
Designated funds	-	88,625	(88,625)	-	-
Building loan fund	500,461	4,462	-	-	504,923
Capital reserve	250,883	-	-	-	250,883
Investment reserve	7,065	-	-	-	7,065
Zion fund	75,000	-	-	-	75,000
The Evangelism fund	14,765	-	-	-	14,765
Le Ferve	3,287	-	-	-	3,287
	851,461	93,087	(88,625)	-	855,923
Total unrestricted fund	813,121	531,614	(359,688)	90,572	1,075,619
Restricted funds					
Cavendish fund	88,193	-	-	-	88,193
Brasted fund	74,205	-	-	-	74,205
Church of the year fund	100	400	(400)	-	100
Fresh Expressions	275	-	-	-	275
Kent Union fund	2,108	-	-	-	2,108
Kent Thameside Church Planting Project	(27,253)	60,978	(53,412)	20,250	563
Pension fund	50,000	-	(50,000)	-	-
Ellington Baptist Church Fund	16,252	-	-	-	16,252
Baptist Grant	35,181	-	-	(28,250)	6,931
Northfleet Project	(11,197)	11,234	(18,775)	18,738	-
KTCP Bus Project	11,405	-	-	-	11,405
Total restricted fund	239,269	72,612	(122,587)	10,738	200,032
Total funds	1,052,390	604,226	(482,275)	101,310	1,275,651

South Eastern Baptist Association

Notes to the Financial Statements (continued) For the Year Ended 31 December 2020

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS – CURRENT YEAR

	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total Funds 2020 £
Tangible fixed assets	232,381	-	232,381
Investment Property	529,500	-	529,500
Fixed asset investments	154,974	-	154,974
Current assets	634,422	235,840	870,262
Creditors due within one year	(52,923)	-	(52,923)
Creditors due in more than one year	(98,195)	-	(98,195)
Provisions for liabilities and charges	(74,696)	-	(74,696)
	<u>1,325,463</u>	<u>235,840</u>	<u>1,561,303</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS – PRIOR YEAR

	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total Funds 2019 £
Tangible fixed assets	720,229	-	720,229
Fixed asset investments	148,045	-	148,045
Current assets	449,018	193,828	642,846
Creditors due within one year	(39,605)	-	(39,605)
Creditors due in more than one year	(101,980)	-	(101,980)
Provisions for liabilities and charges	(119,552)	-	(119,552)
	<u>1,056,155</u>	<u>193,828</u>	<u>1,249,983</u>

22. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2020 £	2019 £
Net expenditure for the year (as per Statement of Financial Activities)	273,963	(19,986)
Adjustment for:		
Depreciation charges	4,742	-
Fair value (gains)/losses on investment property	(46,394)	-
Fair value (gains)/losses on fixed asset investments	(6,930)	(20,308)
Dividends, interest and rents from investments	(46,806)	(36,025)
(Increase) in debtors	55,145	(3,801)
Increase/(decrease) in creditors	9,534	19,487
Defined benefit scheme finance cost adjustment	(7,499)	(9,421)
Net cash used in operating activities	<u>235,755</u>	<u>(70,054)</u>

South Eastern Baptist Association

Notes to the Financial Statements (continued) For the Year Ended 31 December 2020

23. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2020 £	2019 £
Cash and cash equivalents	565,012	282,451
	<u>565,012</u>	<u>282,451</u>

24. RELATED PARTY TRANSACTIONS

The charity is a member of the Baptist Union of Great Britain and is in receipt of grants from the Home Mission Fund, which is part of the Baptist Union of Great Britain Group. Grants of £207,816 (2019: £234,332) were received in this respect.