

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
		<hr/>	<hr/>
		749,046	717,664
		<hr/>	<hr/>
Current Assets			
Debtors	15	159,221	185,770
Cash at bank and in hand		722,755	733,133
		<hr/>	<hr/>
		881,976	918,903
		<hr/>	<hr/>
Creditors: Amounts falling due within one year	16	(21,211)	(43,787)
		<hr/>	<hr/>
Net Current Assets		860,765	875,116
		<hr/>	<hr/>
Total Current Assets less current liabilities		1,609,811	1,592,780
		<hr/>	<hr/>
Creditors: Amounts falling due after more than one year	17	-	(75,000)
		<hr/>	<hr/>
Provisions for liabilities: Defined benefit pension scheme liability	18	-	-
		<hr/>	<hr/>
Net assets		1,609,811	1,517,780
		<hr/>	<hr/>
Funds of the charity:			
Restricted funds	20	164,667	211,509
Unrestricted funds	20	1,445,144	1,306,271
		<hr/>	<hr/>
Total funds		1,609,811	1,517,780
		<hr/>	<hr/>

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)
		<u>(58,354)</u>	<u>(219,832)</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		47,976	25,303
Proceeds from sale of fixed asset		-	195,840
		<u>47,976</u>	<u>221,143</u>
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	<u><u>722,755</u></u>	<u><u>733,133</u></u>

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	Total	Total
	Designated	General	Funds	2023	2022
	£	£	£	£	£
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	Total	Total
	Designated	General	Funds	2023	2022
	£	£	£	£	£
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>173,035</u>	<u>223,024</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>9</u>	<u>10</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)
	<hr/>	<hr/>
Balance carried forward	-	-
	<hr/> <hr/>	<hr/> <hr/>

* 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