

NORTHERN BAPTIST COLLEGE LIMITED

England & Wales · Charity number 1108216

Details

Other names NORTHERN BAPTIST COLLEGE (TRUSTEE) LIMITED

Status Registered

Legal form Charitable company

Company number [00573403](#)

Registered 2005-02-22

Register [View on the Charity Commission register](#)

Contact

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Activities

Objects: TO ADVANCE THE CHRISTIAN RELIGION AND ADVANCE EDUCATION BY PROVIDING THEOLOGICAL EDUCATION, PRIMARILY FOR CHRISTIAN PEOPLE, WITH A VIEW TO MINISTRY AND MISSION IN AND THROUGH BAPTIST CHURCHES IN GREAT BRITAIN AND WORLDWIDE, AND THE DOCTRINES AND PRINCIPLES OF RELIGION MAINTAINED BY BAPTIST CHURCHES AS SET FORTH IN THE "DECLARATION OF PRINCIPLE" ADOPTED FROM TIME TO TIME IN THE CONSTITUTION OF THE BAPTIST UNION OF GREAT BRITAIN, SHALL BE TAUGHT ("THE PRIMARY OBJECT).

Activities: Ministerial training and other programmes of Christian education.

Classification

- **How:** Provides Human Resources, Provides Buildings/facilities/open Space
- **What:** Education/training, Religious Activities
- **Who:** Other Charities Or Voluntary Bodies, Other Defined Groups

Geography

- **Area of benefit:** GREAT BRITAIN AND WORLDWIDE.
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2024-08-31	£379,825	£529,860	-	-
2023-08-31	£371,039	£463,599	-	-
2022-08-31	£226,759	£369,811	-	-
2021-08-31	£428,096	£406,390	-	-
2020-08-31	£350,227	£412,737	-	-

Trustees

Name	Role	Appointed
Richard Lewis	Chair	2020-02-28
Luke Dowding		2021-03-19
Mark Janes		2022-11-30
REV Glen Marshall		2017-11-09
Rev Clara Rushbrook		2013-09-01
Rev Gareth Dyer		2023-11-06
Rev Ian Spence		2023-11-06
Rev Neil John Brighton		2022-03-21

NORTHERN BAPTIST COLLEGE LIMITED

England & Wales - Charity number 1108216

Accounts



NORTHERN BAPTIST COLLEGE LIMITED
(a company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

Charity Registration Number: 1108216
Company Registration Number: 573403

NORTHERN BAPTIST COLLEGE LIMITED

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2024

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NORTHERN BAPTIST COLLEGE LIMITED

Annual Report of the Trustees for the Year to 31 August 2024

The trustees are pleased to present their annual directors' report together with the audited financial statements of the Charity for the year ended 31st August 2024, which are also 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 Memorandum and 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 application in the UK and Republic of Ireland (FRS 102) (effective 2019).

A. Reference and Administrative details of the charity, its trustees and advisors

Directors and trustees

The directors of the Charity are its trustees for the purpose of the charity law and are referred to as the trustees throughout this report. The affairs of the Charity are administered by the board of trustees, known as the Governing Body. The new Articles of Association provide for trustees to be appointed by election by the Governing Body. Current trustees are shown in bold type:

Karen Martindale	(Retired 6/11/2023)	Chair of Governors
Clara Rushbrook		College Co-Principal
Glen Marshall		College Co-Principal
Neil Brighton		Treasurer
Richard Lewis		Chair of Governors from 6/11/2023
Jacquie Osmund-Smith	(Retired 6/11/2023)	
Christopher Upton	(Retired 6/11/2023)	
Luke Dowding		
Mark Janes		
Ian Spence	(Appointed 6/11/2023)	
Gareth Dyer	(Appointed 6/11/2023)	
Jane Henderson	(Appointed 6/11/2023)	

Registered office

Luther King House, Brighton Grove, Rusholme, Manchester, M14 5JP

Auditors

Crowe U.K. LLP, 3rd floor, St George's House, 56 Peter Street, Manchester, M2 3NQ

Bankers

Unity Trust Bank, PO Box 7193, Planetary Road, Willenhall WV1 9DG

Investment managers

Cazenove Capital Management, 1 London Wall Place, London, EC2Y 5AU

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Annual Report of the Trustees for the Year to 31 August 2024

B. Structure, Governance and Management

Governing Document

Northern Baptist College was formed in 1963 when the Baptist ministerial training colleges at Rawdon and Manchester amalgamated. A new building was erected on the Manchester site and the united college became Northern Baptist College. In the 1970's new schemes of training for ministry were inaugurated in partnership with colleges of other denominations in the city. After the creation of the Northern Federation for Training in Ministry, the main college building was renamed Luther King House. It is now owned by the Luther King House Educational Trust and managed ecumenically. Northern Baptist College plays a full role within the Trust Partnership.

Northern Baptist College Limited is now a charitable company limited by guarantee, registered in England and Wales (No. 573403), and is registered as a charity (No. 1108216). The Company was established under a Memorandum of Association, which sets out the objects and powers of the charitable company and was governed under its Articles of Association.

The Charity was created to continue the work of its predecessor charity, Northern Baptist College (charity number 526653). Under a Charity Commission Scheme of 1 September 2009, two new charities were established to carry on and further develop the work of the predecessor charity – the Northern Baptist College Property Trust (charity number 1108216-1) and the Northern Baptist College Scholarship and Prize Fund (charity number 1108216-2). The new charities were established to take on the permanent endowment of the predecessor charity and the company became trustee of the Property Trust and the Scholarship Fund. Under a uniting direction, the Property Trust and the Scholarship Fund are to be treated as forming part of the company for the purposes of Part 4 (registration) and Part 8 (accounting) of the Charities Act 2011

The affairs of the Charity are governed by the board of trustees who meet as the Governing Body and who are also directors of the company. The charity operates under revised Articles of Association which were adopted by the Governing Body in August 2022. The governing body now consists of up to twelve trustees (with the possible addition of up to three non-voting co-optees).

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and, in the event of the company being wound up, members are required to contribute an amount not exceeding £10.00.

Recruitment and Appointment of trustees

Trustees are appointed by the existing Governing Body on the basis of their skills and experience with the exception of the Co-Principals who are appointed ex-officio. All other trustees may serve for a maximum of two, three-year terms after which they must retire for at least one year.

During the year, three governors reached the end of their term of office and retired. We are extremely grateful to Karen Martindale, Jacquie Osmund-Smith and Chris Upton for their years of service, and to Gareth Dyer, Jane Henderson and Ian Spence for volunteering to replace them.

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Annual Report of the Trustees for the Year to 31 August 2024

Trustee induction and training

The induction of a new trustee is aimed at ensuring that they understand the role of the Charity and the way in which their knowledge is a key part of ensuring that our responsibilities are comprehensively and fairly discharged within the law and within the spirit of the Christian family of which we are a part. The three new trustees during the year all undertook the induction process. All have significant relevant governance experience.

Organisational Structure

The Charity is administered by the Governing Body, which aims to hold three board meetings each year. The Governors are the trustees of the charity and also the directors of the company.

The day-to-day management of the Charity is overseen by the Senior Management Team, led by the College Co-Principals. They will usually meet weekly during term time. Regular meetings are also held by the Co-Principals with the Chair of Governors.

Risk Management

Trustees have a duty to identify the key strategic, business and operational risks of the Charity and to review these at least once per year. The trustees have established systems and controls to mitigate against the major risks which have been identified. A Risk Register has been established and is monitored by the Finance Committee on behalf of the Governing body. Any activity that has a high residual risk is monitored. A named staff member is appointed to oversee action to bring this down to acceptable levels when possible and a named trustee has board level oversight of this process. The College Manager has day-to-day responsibility for maintaining the risk register.

A revised Risk Management Framework was introduced during the year which is monitored by the Finance Committee.

- The highest risk continues to be associated with the partnership with Luther King Centre. Although the hotel and conference service has seen a marked recovery after the pandemic, student numbers for the education work of the trust remained low throughout the period. For the current year, as will be reported next year, the trust has seen a significant rise in student numbers. However, the education work continues to place a significant drain upon the trust's finances. In addition, the buildings require significant investment.

NBC has agreed short-term support for LKC by paying the Block Charge upfront. For the year 2024-5, we have agreed an additional one-off increase to the Block Charge, and have agreed to forego interest on the loans we have made to LKC.

Despite these measures, the risk of the financial failure of the trust remains unacceptably high. Following an 'in principle' decision in summer 2023, significant preparatory work has been undertaken during the year to prepare a robust business case for the full merger of Northern Baptist College, Northern College (URC and Congregational) and Luther King House Educational Trust.

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Annual Report of the Trustees for the Year to 31 August 2024

The business case for merger was presented to a joint meeting of the three governing bodies on 19 July 2024. After a full day of consideration, the three boards unanimously agreed the proposal to merge.

Two other risks remain at levels which the governors are monitoring closely. These may be viewed as inter-related.

- The number of students coming forward for Accredited Baptist Ministerial Formation remains at an all-time low nationally. Although they may recover, trustees have taken the view that this now forms a longer term trend and that increasingly churches and mission projects will look for a greater diversity in how ministry is provided. To mitigate this risk, trustees have commissioned a number of new ministerial pathways and, as will be seen in §D. below, there are early signs that this strategy is paying dividends.
- During the year, the Baptist Union of Great Britain took the decision to recognise St Hild Centre for Baptist Ministry as a 'Baptist' college. The partnership agreement with NBC, therefore came to an end on 31 August 2024 and three students transferred their formation studies to St Hild. There are now 6 Baptist colleges alongside numerous evangelical and ecumenical theological colleges. These colleges are to a greater or lesser extent competing for a declining number of students. Trustees have agreed an inclusive strategy, based upon NBC's Vision and Values which positions us in a unique place in this increasingly competitive market. Nevertheless, there remains a significant risk to this strategy which trustees continue to monitor. Again, there are early signs that our inclusive strategy is attracting a greater diversity of students.

Fundraising

The charity did not undertake any fundraising activities under section S162A of the Charities Act 2011.

C. Objectives and Activities

Objects of the Charity

The Articles of Association set out the primary object of the Company:

To advance the Christian Religion and advance education by providing theological education, primarily for Christian people, with a view to ministry and mission in and through Baptist Churches in Great Britain and worldwide, and the Doctrines and Principles of Religion maintained by Baptist Churches as set forth in the "Declaration of Principle" adopted from time to time in the Constitution of the Baptist Union of Great Britain, shall be taught.

This is also the object of the Northern Baptist College Limited Property Trust under the Charity Commission Scheme of 1 September 2009, the object of the Northern Baptist College Limited Scholarship and Prize Fund was set out as follows:

To further the education of pupils attending the Northern Baptist College Limited by the award of scholarships or prizes.

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Annual Report of the Trustees for the Year to 31 August 2024

Our hope and our belief continue to be that we are able to fulfil our desire for NBC to be a community where, to quote our vision and values, those to whom we minister learn to be:

- Mission-focused: engaging with the world, not hiding in the church.
- Relationally committed: collaborating with others instinctively, not going it alone.
- Theologically savvy: rooted in the biblical story, not just doing whatever seems to 'work'.
- Servant-hearted: knowing that leadership is about loving people, not building empires.
- Community-oriented: seeking justice for all, not settling for anything less.
- Lifelong learners: embracing growth and development, not stuck in their ways.

Public benefit statement

Each year, the trustees review the objectives and activities of the Charity to ensure that they continue to reflect the Charity's aims and to provide public benefit. The trustees consider that they have complied with their duties under the Charities Act 2006 to have due regard to public benefit guidance published by the Charity Commission. Faith gives meaning to people's lives and contributes to their well-being. It offers a vision for peace and harmony and provides a moral and ethical foundation to support people in serving the community at every level.

NBC contributes to developing and delivering the vision and strategy of Baptists Together (Baptist Union of Great Britain) both nationally and regionally, through the various Baptist associations and other Baptist Colleges. We support the work of Luther King Centre through its partnership in the Centre for Theology and Justice and through its Open Learning Programme of lectures and workshops which are open to anyone. Individual tutors contribute to various academic and denominational publications and to symposiums and conferences in the areas of theology, mission and Biblical studies.

Grant Making Policy

NBC administers the Baptist Union of Great Britain Bursary scheme. These bursaries are means-tested and are targeted towards students who would find it difficult to pay for their training and formation. Bursaries given are specifically to help Ministers in Training (working towards accredited Baptist ministry recognised by the Baptist Union of Great Britain) with the costs of their academic and formation fees but may also be given to provide for example, support for additional learning needs or assessments and counselling. Students are supported and encouraged to apply for other grants and awards as appropriate.

Governors have agreed the establishment of a hardship fund, which will be administered at the discretion of the Co-Principals. As part of the year end process, funds under-spent against the Student Support budget will be transferred into a designated fund. Terms of Reference for the administration of the hardship fund were agreed at the governing body meeting in July 2024.

D. Achievements and performance

In the year to August 2024, thirteen of our nineteen students were registered with the Baptist Union of Great Britain as Ministers in Training (MITs). Of these, four studied for their academic qualification at our Luther King House hub, six at St. Hild, one at Cranmer Hall and three students came through our partnership with the Light College and Collective. All studied for their Ministerial Formation through the Baptist Leadership Programme (BLP) delivered via residential

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Annual Report of the Trustees for the Year to 31 August 2024

weekends through NBC.

Of our nine leaving students, two students graduated with a Foundation Degree in Arts, two with BAs, two with Mas, two with a diploma-level qualification. One student already had sufficient academic qualification so only had to complete the BLP.

This, though, presents only a partial picture of our work during the year. In addition to the thirteen MITs, a further six students were studying with us on a variety of 'non-traditional' pathways. Three were so-called 'Open Track' students, two were studying to be Recognised Local Ministers (RLM) whilst one was studying on our new Alternative Formation Track for those whose ministry is not recognised by BUGB.

Just as the nature of formation is becoming more diverse, so is the notion of 'settlement.' Whilst five of our leavers had a relatively straightforward settlement – and were settled in churches at the time they left us, the other four have had a somewhat more complicated journey. Two have now settled into their future ministries whilst the remaining two continue to explore their future options. It is sad to report that one of our leavers from 2022-3 has still not settled.

This year forms the third year of delivering our five-year strategy which was approved in July 2021.

1. To develop and emphasise NBC's focus on issues of justice and inclusion within a holistic understanding of mission.

Our inclusion tutors are now thoroughly embedded into the life of the college and their work is beginning to show in a greater diversity in our student body.

2. To develop our work with pioneers and chaplains

The LKC Chaplaincy programme is developing significantly. To that end, we have transferred Liz Shercliff's employment over to Luther King Centre where she can more closely develop the programme.

3. To develop and expand online learning opportunities

A strategic decision has been taken to weave this work into the developing educational vision for the new college. During the year, NBC invested significantly in IT infrastructure to enable us to deliver existing programmes in a more 'hybrid' manner.

4. To develop a range of CMD learning opportunities with an emphasis on training the trainers

Continuing Ministerial Development is viewed in a broader sense than is the case in some settings. Local ministers are invited to participate in a wide variety of learning opportunities, in particular focusing on NBC's role in driving forward an inclusive agenda within Baptist life. Moving forward, this work will be developed as part of the new college's educational strategy.

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Annual Report of the Trustees for the Year to 31 August 2024

5. To give a greater priority to creation care as part of the mission of God

Creation Care is integrated into both academic programmes and, particularly, the BLP.

It is more difficult to be seen as leading on this agenda when our premises require such substantial investment to bring them up to current standards, let alone as demonstrating 'best practice' in this area.

It has been agreed that once the legal and education frameworks for the new college have been agreed, the second year of its existence will see the development of a comprehensive premises strategy which will move beyond reactive maintenance and onto a proactive development basis. In this way, the premises will contribute to the ongoing financial sustainability of the whole partnership.

Whilst we continue to measure our achievements against the five-year strategy, its further development has been overtaken by our plans for a new, single college structure. We do not anticipate introducing a further five-year strategy for Northern Baptist College, but rather see ourselves as contributing to the strategic planning for the new college.

E. Financial Review

Pensions

We are committed to enabling all staff to save for their retirement. Directly employed staff are, unless otherwise requested, automatically enrolled in the Baptist Pension Scheme, details of which can be found in note 1.4 of the accounts. An equivalent sum is included in secondment agreements for seconded staff to enable them to continue with their existing pension arrangements.

As described last year, the Baptist Pension Fund Defined Benefit scheme is in the process of being bought out by the Just Group. Although this process has not been finalised, the trustees now report that the fund is in surplus. From October 2024 (outside the scope of this report), we no longer need to declare a deficit and the notional and even the £1 per month contribution has ceased. It is anticipated that the full buyout of the DB scheme will be completed in time for the next (and final) Annual Report of Northern Baptist College

Pay Policy for Senior Staff

Staff pay is agreed by the Governing Body in accordance with the Pay Policy agreed in December 2022. Remuneration for senior staff is based on role, experience and performance. Increments are based on a percentage of the Baptist Union of Great Britain's standard stipend and follow the pattern set by BUGB

F. Reserves policy

NBC accounts for its reserves on a Total Returns Basis.

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Annual Report of the Trustees for the Year to 31 August 2024

At the January 2021 Board Meeting, it was agreed that the Trust for Investment of the Bennett Redihough endowments should be set at £1,983,724, representing the probate figure of £3,009,724, less £26,000 of specific bequests and less a further £1m which the Charity Commission authorised to be spent in November 2012.

All monies over and above this figure are treated as an unallocated investment reserve.

However, trustees agreed that it is desirable to preserve the original value of the endowment and agreed that this should be set at the value of the Trust for Investment plus an allowance of 110% for inflation. Thus, trustees will treat the figure of £4,165,820 as the original value of the endowment.

Over a five-year, rolling period, trustees will aim to preserve this value in line with the Retail Prices Index measure of inflation.

G. Funds and Investments

It would, perhaps, be premature to report a return to the relative stability of the past. Compared with the decline in our investment portfolio of £189,533 last year, we are able to report a more healthy return of 7.6% which amounts to £357,187. We derived investment income of £205,177 leaving our portfolio value at £4,943,310.

In the present climate, NBC's attitude to our investments continues to be to take a medium to long term view and not to allow short-term market fluctuations overly to affect our investment strategy. As we develop plans for the merger, we are conscious of the legal requirements to treat our reserves in line with the requirements for dealing with endowed funds. Appropriate legal and financial advice will be taken and followed.

H. Plans for future Periods

At a joint Governing Body meeting held in July 2024, the Boards of Northern Baptist College Limited, Northern College (URC and Congregational) and Luther King Centre formally agreed to merge the three organisations into one.

This, we believe, will streamline governance and accountability structures, as well as enabling us to focus clearly upon our educational strategies moving forward. The merger will also enable us to respond more flexibly to the changing financial climate in which we are operating.

We are hopeful that the new – as yet unnamed – college, will also be able to take a more strategic view of its premises, further to support the educational work of the college.

There is clearly a significant amount of work to be done in preparation for the new structure.

This is being overseen by a Shadow Board, operating on behalf of the three existing boards. A Working Group has been established consisting of the three existing principals and three project leads. We have also engaged the services of Everyday Change as professional advisers.

Additional professional advisers – such as legal advisers – will be appointed as required. The costs of this work have been factored into all three colleges budgets for the coming year.

It is hoped that the new college can launch formally in time for the next academic (and financial) year.

I. Going Concern

If target dates are met, Northern Baptist College, in its existing form, will cease to exist before 1

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Annual Report of the Trustees for the Year to 31 August 2024

September 2025. As such, it cannot be said to be a 'Going Concern.' However, trustees wish to stress that this is not due to any failure or instability of the existing college. Northern Baptist College remains financially viable with reserves of £6.48 million. Although we have set a deficit budget for the coming year, a significant proportion of the deficit stems from the costs of the merger. NBC would remain financially viable for at least ten years, even if it were to continue with existing levels of deficit.

Students may be reassured that their education will be unaffected by the plans, and creditors may be reassured that NBC is more than able to meet its financial liabilities.

J. Statement of the Trustees Responsibilities.

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

Company law requires the Charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources, including the 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 in the Charities SORP;
- 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 charity will be able to continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and to 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.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Charity governance code

NBC Governors have adopted the Charity Governance Code for small charities. The governors are clear about the charity's aims and monitor and review vision and strategy on a 5-yearly cycle. A strategic vision has been adopted which will take Northern Baptist College through to its

NORTHERN BAPTIST COLLEGE LIMITED

Annual Report of the Trustees for the Year to 31 August 2024

dissolution. A strategic vision for the new college is already being prepared. In recent years NBC has made significant changes to our governing body to ensure that it has the right skills and experience represented on it and provides strategic leadership. The governing body acts according to the Nolan principles of public life. The governing body are aware of key risks and review these regularly. The Governing body are keenly aware of issues of diversity and are strongly supportive of our inclusive strategy. We seek to be open and accountable in our work. Student representatives are appointed by the student body and are invited to Governing Body meetings. Representatives provide a report to each meeting. In response to students' questions, we produce a detailed report on the college finances for students, which is updated and presented to students following the completion of the Annual Report.

K. Disclosure of Information to the Auditors

In so far as the trustees are aware at the time of approving our trustees' annual report:

- There is no relevant audit information, being information needed by the auditor in connection with preparing their report, of which the Charity's auditor is unaware; and
- The trustees, having made enquiries of fellow directors and the auditor that they ought to have individually taken, have each taken all steps and he/she is obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.



By order of the trustees
Richard Lewis – Chair of Trustees

DATE: 20/3/25

NORTHERN BAPTIST COLLEGE LIMITED

Independent Auditor's Report to the Members of Northern Baptist College Limited

Opinion

We have audited the financial statements of Northern Baptist College Limited for the year ended 31 August 2024 which comprise the Statement of Financial Activities, Balance Sheet, Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2024 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter – financial statements prepared on a basis other than going concern

As described in note 1, the trustees have prepared the financial statements on a basis other than going concern. The charity, in its existing form, will cease to exist before 1 September 2025. This follows a formal agreement at a joint Governing Body meeting held in July 2024, where the Boards of Northern Baptist College Limited, Northern College (URC and Congregational) and Luther King Centre agreed to merge the three organisations into one.

Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify such material

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Independent Auditor's Report to the Members of Northern Baptist College Limited

inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of our audit

- the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption in preparing the trustees report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 9, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

NORTHERN BAPTIST COLLEGE LIMITED

Independent Auditor's Report to the Members of Northern Baptist College Limited

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, Charities Act 2011 and employment legislation.

We identified areas of laws and regulations that could be reasonably expected to have a material effect on the financial statements from our sector experience, through discussions with the Directors, and from inspection of the Company's board minutes and legal and regulatory correspondence.

We assessed the susceptibility of the financial statements to material misstatement, including how fraud might occur, by meeting with management from relevant parts of the business to understand where management considered there was a susceptibility to fraud. We also considered the potential for management to manage earnings and influence the perceptions of the financial statements.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management and completeness of income. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, sample testing from student record documentation, proof in total on conference income based on published fees and delegate list, reviewing rental agreements for rental income and sample testing of investment income from investment reports and loan agreements.

Audit procedures performed by the engagement team included:

- Evaluation of the design of controls established to address the risks related to material irregularities in the financial statements; Testing manual journal entries, in particular journal entries relating to management estimates and entries determined to be large or relating to non-routine transactions.
- Evaluation of income recognition policies and any judgements made around income recognition; reviewing the income system for significant deficiencies or susceptibility to fraud;
- Challenging assumptions and judgements made by management in their significant accounting estimates;
- Agreement of the financial statement disclosures to underlying supporting documentation;
- Making enquiries of management;

NORTHERN BAPTIST COLLEGE LIMITED

Independent Auditor's Report to the Members of Northern Baptist College Limited

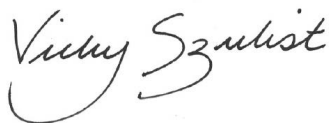
- Review of minutes of board meeting throughout the period;

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Vicky Szulist

Senior Statutory Auditor

For and on behalf of

Crowe U.K. LLP

Statutory Auditor

3rd Floor

56 Peter St

Manchester

M2 3NQ

9 April 2025

NORTHERN BAPTIST COLLEGE LIMITED

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 AUGUST 2024

	Notes	Unrestricted funds £	Restricted funds £	Endowed Funds £	Total 2024 £	Total 2023 £
Income:						
Donations and legacies	3	18,677	-	-	18,677	18,750
<i>Income from charitable activities:</i>						
Operation of ministerial training college	4	142,875	-	-	142,875	137,250
Investment income	5	13,096	-	205,177	218,273	215,039
Total income		174,648	-	205,177	379,825	371,039
Expenditure						
<i>Expenditure on charitable activities</i>						
Operation of ministerial training college	6	529,860	-	-	529,860	463,599
Total expenditure		529,860	-	-	529,860	463,599
Net (expenditure)/income before transfers and gains for the year	9	(355,212)	-	205,177	(150,035)	(92,560)
Transfers between funds		-	-	-	-	-
Other recognised gains/losses:						
Net gains/(losses) on investments	12	-	-	357,187	357,187	(189,533)
Net (expenditure)/income and net movement in funds for the year		(355,212)	-	562,364	207,152	(282,093)
Reconciliation of funds						
Total funds brought forward		707,151	411,351	5,157,488	6,275,990	6,558,083
Total funds carried forward at 31 August 2024		351,939	411,351	5,719,852	6,483,142	6,275,990

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

All income and expenditure derive from continuing activities.

NORTHERN BAPTIST COLLEGE LIMITED

BALANCE SHEET

Company No: 573403

AS AT 31 AUGUST 2024

	Note	2024 £	£	2023 £	£
Fixed assets					
Tangible fixed assets	11	405,397		411,588	
Fixed assets investments	12	5,983,309		5,755,123	
Total Fixed Assets		6,388,706		6,166,711	
Current assets					
Debtors	13	48,352		50,806	
Cash at bank and in hand		66,500		75,121	
		114,852		125,927	
Creditors: amounts falling due within one year	14	(20,416)		(16,648)	
Net current assets		94,436		109,279	
Total net assets		6,483,142		6,275,990	
Funds of the charity					
Unrestricted funds	15	351,939		707,151	
Endowment funds	16,19	5,719,852		5,157,488	
Restricted funds	16	411,351		411,351	
Total Charity funds		6,483,142		6,275,990	

These financial statements are prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the company.

The notes at pages 19 to 31 form part of these accounts.

The financial statements were approved by the Governing Body on 20 March 2025 and signed on its behalf by:



Richard Lewis
Chair of Trustees

NORTHERN BAPTIST COLLEGE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED AT 31 AUGUST 2024

	2024 £	2023 £
Net income for the year	207,152	(282,093)
Investment income	(218,273)	(215,039)
Depreciation	6,191	6,400
Net (gains)/losses on investments	(357,186)	189,533
(Increase)/decrease in debtors	2,454	10,984
Increase/(decrease) in creditors	3,768	3,434
Net cash flow from operating activities	(355,894)	(286,781)
Cash flows from investing activities		
Investment income	218,273	215,039
Purchase of fixed assets	-	(5,368)
Purchase of investments	-	-
Sale of investments	129,000	23,030
Net cash flow from investing activities	347,273	232,701
Increase (decrease) in cash and cash equivalents in the year	(8,621)	(54,080)
Cash and cash equivalents at the beginning of the year	75,121	129,201
Total cash and cash equivalents at the end of the year	66,500	75,121
Cash and cash equivalents at the end of the year consist of:		
Cash at bank and in hand	66,500	75,121

NORTHERN BAPTIST COLLEGE LIMITED

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

1 Accounting Policies

Northern Baptist College Limited is a private company limited by guarantee, incorporated in England and Wales.

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

1.1 Basis of preparation

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.

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

Northern Baptist College Limited 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 notes.

1.2 Preparation of the accounts on a going concern basis

The charity, in its existing form, will cease to exist before 1 September 2025. This follows a formal agreement at a joint Governing Body meeting held in July 2024, where the Boards of Northern Baptist College Limited, Northern College (URC and Congregational) and Luther King Centre agreed to merge the three organisations into one. For this reason, the financial statements have been prepared on a basis other than going concern.

1.3 Income recognition

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

Most student course fees are invoiced at the beginning of the academic year and are receivable then.

Unsolicited donations are accounted for when received. For legacies, entitlement is taken at the earliest of:

- the date on which the Charity is aware that probate has been granted;
- the estate has been finalised and notification has been made by the executor(s) to the Charity that a distribution will be made; or
- when a distribution is received from the estate.

Other income is accounted for on a receivable basis.

Interest on funds held on deposit is included upon notification of the interest paid or payable by

NORTHERN BAPTIST COLLEGE LIMITED

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

the deposit taker. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by our Investment manager of the dividend yield of the investment portfolio.

1.4 Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to that category.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Allocation of governance costs

Governance costs are those costs associated with charity governance requirements and which relate to the general running of the organisation.

Staff pensions

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

The 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. Members of the Basic Section pay reduced contributions of 5% of Pensionable Income, and their employers also pay a total of 5%.

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 Minister(s) 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 College and the other participating employers in the DB Plan are collectively responsible for funding this deficit.

NORTHERN BAPTIST COLLEGE LIMITED

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

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

Mortality was 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 was due to take place not later than as at 31 December 2022. However, the DB Plan is to be wound up, and the process to wind it up was started with effect from 31 March 2024 and therefore no formal valuation is due to take place.

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 were payable until June 2026.

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. These contributions are payable under the recovery plan until June 2026. The outstanding deficiency contributions due under the Recovery Plan are not considered material and therefore have not been included in the balance sheet

1.5 Tangible fixed assets and depreciation

The Charity's policy with regard to fixed assets is to capitalise those with a value over £1,500. Tangible fixed assets are capitalised at their purchase price together with any incidental expenses of acquisition.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and Buildings	1% straight line
Office equipment	25% and 33.33% on cost

NORTHERN BAPTIST COLLEGE LIMITED

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

1.6 Fixed asset investments

Investments are initially recognised at their transaction value and subsequently measured at their market value as at the balance sheet date using the closing quoted market price. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

1.7 Debtors

Student debtors are recognised at the settlement amount due. Any losses arising from impairment are recognised in expenditure. Prepayments are valued at the amount prepaid.

1.8 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.

1.9 Creditors

Creditors are recognised where the Charity 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 to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any discounts due.

1.10 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.

1.11 Taxation

The company has charitable status and is thus exempt from taxation of its income and gains to the extent that they are applied to its charitable objects.

1.12 Fund accounting

Unrestricted funds are donations and other incoming resources which are available for use at the discretion of the trustees in furtherance of the objects of the charity without further specified purpose and which have not been designated for other purposes.

Restricted funds are subject to restrictions on their expenditure imposed by the donor. Expenditure which meets this criterion is charged to the fund together with a fair allocation of overhead costs.

NORTHERN BAPTIST COLLEGE LIMITED

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

Judgements in applying accounting policies and key sources of estimation uncertainty

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Impairment of debtors

The charity makes an estimate of the recoverable amount of trade and other debtors. When assessing the impairment of trade and other debtors, the management team considers factors including the financial strength and ageing profile of the debtors and historical experience. The net carrying amount of the debtors is set out at Note 13.

2 Legal status of the Charity

The Charity is a company limited by guarantee and has no share capital. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the Charity.

3 Income from donations and legacies

	2024	2023
	£	£
Gifts	18,677	18,750
	18,677	18,750

4 Income from charitable activities

	2024	2023
	£	£
Student fees	113,449	125,244
Conference Income	29,426	12,006
	142,875	137,250

NORTHERN BAPTIST COLLEGE LIMITED

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

5 Investment income

	2024	2023
	£	£
Listed investments	205,177	204,117
Loan Interest	13,043	10,398
Bank and other interest	53	524
	218,273	215,039

Of the £218,273 received in 2024 (2023: £215,039), £205,177 was endowed funds (2023: £204,117) and £13,096 was unrestricted funds (2023: £10,922).

6 Analysis of expenditure on charitable activities

	2024	2023
	£	£
Other costs relating to charitable activities comprise:		
Staff costs (see note 10)	321,780	222,716
Tutorial fees and expenses	40,331	26,552
Academic fees	9,426	8,551
College bloc charge – Luther King House Educational Trust	34,000	59,000
Conference expenses	22,325	45,219
Travelling expenses	8,553	9,308
Catering costs	3,462	2,768
Rates and ground rents	4,833	4,487
Heat and light	2,369	1,969
Insurance	3,798	3,686
Printing, postage, stationery and advertising	340	3,226
Telephone	1,338	1,192
Books and publications	1,025	1,248
Legal and professional fees	17,167	5,280
Bookkeeping and payroll fees	360	2,400
Repairs and renewals	1,531	9,723
Provision for unpaid student fees	-	-
Student bursaries	24,677	27,933
Sundry expenses	11,940	5,241
Bank charges	260	290
Depreciation of tangible fixed assets	6,191	6,400
	515,706	447,189

7 Governance costs

	2024	2023
	£	£
Governance costs comprise:		
Auditors' fees	5,250	7,860
	5,250	7,860

NORTHERN BAPTIST COLLEGE LIMITED

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

8 Support costs

	2024 £	2023 £
Support costs comprise:		
Portfolio Management fees	8,655	8,550
	8,655	8,550

9 Net income/(expenditure) for the year

	2024 £	2023 £
This is stated after charging:		
Depreciation of tangible fixed assets	6,191	6,400
Auditors' remuneration	5,250	7,860

10 Analysis of staff costs and trustee expenses

The key management personnel of the College are Rev Dr Clara Rushbrook and Rev Dr Glen Marshall who acted as College Co-Principals during the period and their joint remuneration for the year to 31 August 2023 was £131,186 (2023: £125,214). Although trustees of the college the Co-Principals are remunerated as employees.

None of the trustees or persons connected with them have received or obtained any remuneration or other financial benefits for the year either directly or indirectly from the funds of Northern Baptist College Limited. During the year, travel and phone expenses were reimbursed to 10 trustees (2023: 8). The aggregate amount of expenses paid was £3,346 (2023: £12,367).

Staff costs

	2024 £	2023 £
Salaries	280,100	191,793
Social security costs	17,442	13,030
Pension contributions	24,238	17,893
	321,780	222,716

The average number of employees during the year, calculated on the basis of full-time equivalents, was as follows:

	2024 Number	2023 Number
Ministerial training	9	6
Support staff	2	2
	8	8

No members of staff are paid over £60,000 (2023: nil).

NORTHERN BAPTIST COLLEGE LIMITED

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

11. Tangible fixed assets

	Freehold Property £	Office Equipment £	Total £
<i>Cost</i>			
At 1 September 2023	442,009	23,811	465,820
Additions			
At 31 August 2024	442,009	23,811	465,820
<i>Depreciation</i>			
At 1 September 2023	35,358	18,874	54,232
Charge for the year	4,420	1,771	6,191
At 31 August 2024	39,778	20,645	60,423
<i>Net book value</i>			
At 31 August 2024	402,231	3,166	405,397
At 31 August 2023	406,651	4,937	411,588

12. Fixed asset investments

	2024 £	2023 £
Investment portfolio – Cazenove Capital Management	4,943,309	4,715,123
Stake in Luther King House Educational Trust	1,040,000	1,040,000
	5,983,309	5,755,123
<i>Investment portfolio</i>		
At 1 September 2023	4,715,122	4,927,685
Additions	-	-
Disposal proceeds	(129,000)	(23,030)
	4,586,122	4,904,656
Revaluation as at 31 August 2024	357,187	(189,533)
	4,943,309	4,715,123
The investment portfolio comprises:		
UK listed investments	1,522,539	1,658,470
Overseas listed investments	3,420,770	3,056,653
	4,943,309	4,715,123

NORTHERN BAPTIST COLLEGE LIMITED

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

Stake In Luther King House Educational Trust

The Charity was a founder member of Luther King House Educational Trust (LKHET) in September 2000. As part of the financial basis for Luther King House Educational Trust, the Charity transferred cash of £50,000 and the land and buildings at Luther King House to a charity called Luther King House Property Trust under a Charity Commission Scheme dated 27 June 2002. At the date of transfer, the land and buildings were valued at £700,000.

Under the terms of the Luther King House Property Trust, as a founder member of LKHET, the Charity has rights in relation to the disposal of the assets of the Property Trust in the event of its dissolution. The scheme provides that, under a revision of the scheme, 62.5% of the value of the land and buildings will be distributed to the Charity. The most recent professional valuation of the property in January 2015 was £3 million.

Luther King House Property trust is now part of Luther King House.

13 Debtors

	2024	2023
	£	£
Student debtors	18,058	10,247
Prepayments and accrued income	5,294	15,559
Amounts due from related party	25,000	25,000
Total	48,352	50,806

14 Creditors: amounts falling due within one year

	2024	2023
	£	£
Trade creditors	885	1,610
Accruals and deferred income	19,531	15,038
Pension liability	-	-
	20,416	16,648

NORTHERN BAPTIST COLLEGE LIMITED

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

15 Unrestricted Funds

	Balance at 1 September 2023 £	Incoming Resources £	Expenditure incurred £	Gains/ (losses) and transfers £	Balance at 31 August 2024 £
General Funds	694,197	174,648	(529,860)	(5,000)	333,985
College Library Fund	2,954	-	-	-	2,954
Discretionary Hardship Fund	10,000	-	-	5,000	15,000
	<u>707,151</u>	<u>174,648</u>	<u>(529,860)</u>	<u>-</u>	<u>351,939</u>

	Balance at 1 September 2022 £	Incoming Resources £	Expenditure incurred £	Gains/ (losses) and transfers £	Balance at 31 August 2023 £
General Funds	1,000,874	166,922	(463,599)	(10,000)	694,197
College Library Fund	2,954	-	-	-	2,954
Discretionary Hardship Fund	-	-	-	10,000	10,000
	<u>1,003,828</u>	<u>166,922</u>	<u>(463,599)</u>	<u>-</u>	<u>707,151</u>

16 Restricted & Endowed Funds

	Balance at 1 September 2023 £	Income/ (expenditure) £	Gains/ (losses) and transfers £	Balance at 31 August 2024 £
Property Trust	293,895	-	-	293,895
Sir Halley Stewart Trust	23,555	-	-	23,555
Scholarship and Prize Fund	93,901	-	-	93,901
	<u>411,351</u>	<u>-</u>	<u>-</u>	<u>411,351</u>
Bennett/Reddihough Endowed Funds	5,157,488	205,177	357,187	5,719,852

Investment income received on restricted funds is transferred to the unrestricted funds account as there is no restriction placed on this income.

The Property Trust and Scholarship and Prize Fund are historic restricted funds.

	Balance at 1 September 2022 £	Income/ (expenditure) £	Gains/ (losses) and transfers £	Balance at 31 August 2023 £
Property Trust	293,895	-	-	293,895
Sir Halley Stewart Trust	23,555	-	-	23,555
Scholarship and Prize Fund	93,901	-	-	93,901
	<u>411,351</u>	<u>-</u>	<u>-</u>	<u>411,351</u>

NORTHERN BAPTIST COLLEGE LIMITED

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

Bennett/Reddihough Endowed Funds	5,142,904	204,117	(189,553)	5,157,488
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Funds referred to in these financial statements and previous financial statements as the Bennett/Reddihough Capital Funds are in fact endowed funds.

During the year, the Board agreed to undertake total return accounting. The original Trust for investments of the Bennett & Reddihough funds is estimated at £3,000,426. In 2012, the Charity Commission permitted a transfer of £1m of the endowed funds to unrestricted funds for charitable purposes. The remaining Trust for investment of £2,000,426 when compared to the asset value of £5.7m leaves an unapplied investment return of £3.7m to be utilised by the Trustees. The Trustees have developed a total return policy which will enable them to preserve the value of the bequest in real terms.

At the beginning of 2020/21 there was a transfer of £1,043,170 from endowed funds to unrestricted funds as part of the transition to total return accounting, reflecting the funds not invested.

17 Analysis of net assets between funds

	Unrestricted Funds	Restricted Funds	Endowed Funds	Total
Fund balances at 31 August 2024 are represented by:				
	£	£	£	£
Tangible assets	405,397	-	-	405,397
Fixed assets investments	1,040,000	-	4,943,309	5,983,309
Debtors	48,352	-	-	48,352
Cash at bank and in hand	(1,121,394)	411,351	776,543	66,500
Creditors: amounts falling due within one year	(20,416)	-	-	(20,416)
Total net assets	351,939	411,351	5,719,852	6,483,142
Fund balances at 31 August 2023 are represented by:				
	£	£	£	£
Tangible assets	411,588	-	-	411,588
Fixed assets investments	1,040,000	-	4,715,123	5,755,123
Debtors	50,806	-	-	50,806
Cash at bank and in hand	(778,595)	411,351	442,365	75,121
Creditors: amounts falling due within one year	(16,648)	-	-	(16,648)
Total net assets	707,151	411,351	5,157,488	6,275,990

18 Related party transactions

Pension payments in respect of trustee pension contributions for two Trustees were £6,696 (2023: Two & £10,304).

Included in investments is a loan of £60,000 (2023: £60,000) and included in investments is a loan of £230,000 (2023: £230,000), both to Luther King House Educational Trust (LKHET). LKHET is related by virtue of Northern Baptist College Limited being a member college of LKHET. These loans are repayable when LKHET has funds available or on the dissolution of LKHET. Interest is payable at 1% below base rate on the £60,000 loan and at the daily rate set by the Charities Aid Foundation for its COIF units, collared at 4%, for the £230,000 loan. Also there was an additional loan made to LKHET of £25,000 in 2020/21, this loan is repayable when LKHET has funds available or on the dissolution of LKHET. Interest payable is capped at 1% above base rate. The total interest received during the year was £13,043 (2023: £10,398).

During the year, LKHET made sales to the Charity of £49,410 (2023: £65,570) and purchases of £nil from the Charity (2023: £6,165). At the year end the Charity held £nil (2023: £3,078) in accrued income due to the interest on the loans made to LKHET and a balance held in trade creditors of £42 (2023: £nil) due to amounts not yet paid at the year end.

During the year, £15,676 (2023: £15,563) of sales were made by the Charity to Luther King Conference and Accommodation Services Limited (LKHCBAS), a trading subsidiary of LKHET. At the year end the Charity was owed £nil (2023: £nil).

A Trustee has received payments of £nil (2023: £8,915) from the College in relation to works carried out on behalf of the Creating Sanctuary project, which is run and managed by One Body, One Faith, who as an unincorporated charity are unable to receive grant funding. The College, therefore received funding, on that charity's behalf, from which the Trustee has been paid. No amounts were payable to the Trustee as at the reporting date (2023: £nil).

NORTHERN BAPTIST COLLEGE LIMITED

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

19 Endowment Fund Investments

	Endowment £	Inflation £	Unapplied Total Return £	Total £
At 1 September 2023				
Trust for investment/permanent endowment	2,000,426	-	-	2,000,426
Effect of inflation	-	2,591,418	(2,591,418)	-
Unapplied total return	-	-	3,157,062	3,157,062
Transfer to unrestricted	-	-	-	-
Total	2,000,426	2,591,418	565,644	5,157,488
Movements in the reporting period:				
Investment return:	-	-	205,177	205,177
dividends and interest	-	-	357,187	357,187
Investment return:	-	-		
realised and unrealised gains and (losses)	-	90,019	(90,019)	-
Effect of inflation	-	-	-	-
Less: Investment management costs	-	-	-	-
Total	-	90,019	472,345	562,364
Unapplied total return allocated to income in the reporting period	-	-	-	-
Net movements in reporting period	-	90,019	472,345	562,364
At 31 August 2024:				
Trust for investment/permanent endowment	2,000,426	-	-	2,000,426
Effect of inflation	-	2,681,437	(2,681,437)	-
Unapplied total return	-	-	3,719,426	3,719,426
Total	2,000,426	2,681,437	1,037,989	5,719,852

The initial effect of inflation has been calculated on transition to total return accounting. The Trustees have agreed to protecting trust for investment against the impact of inflation over a five year rolling basis.

NORTHERN BAPTIST COLLEGE LIMITED

England & Wales - Charity number 1108216

Accounts



NORTHERN BAPTIST COLLEGE LIMITED
(a company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

Charity Registration Number: 1108216
Company Registration Number: 573403

NORTHERN BAPTIST COLLEGE LIMITED

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

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NORTHERN BAPTIST COLLEGE LIMITED

Annual Report of the Trustees for the Year to 31 August 2023

The trustees are pleased to present their annual directors' report together with the audited financial statements of the Charity for the year ended 31st August 2022, which are also 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 Memorandum and 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 application in the UK and Republic of Ireland (FRS 102) (effective 2019).

A. Reference and Administrative details of the charity, its trustees and advisors

Directors and trustees

The directors of the Charity are its trustees for the purpose of the charity law and are referred to as the trustees throughout this report. The affairs of the Charity are administered by the board of trustees, known as the Governing Body. The new Articles of Association provide for trustees to be appointed by election by the Governing Body. Current trustees are shown in bold type:

Karen Martindale

Chair of Governors

Clara Rushbrook

College Co-Principal

Glen Marshall

College Co-Principal

Neil Brighton

Treasurer

Wayne Clarke (Resigned 1/12/2022)

Richard Lewis

Jacquie Osmund-Smith

Christopher Upton

Luke Dowding

Catriona Gorton (Appointed 1/12/2022 – Resigned 31/8/2023)

Mark Janes (Appointed 1/12/2022)

Registered office

Luther King House, Brighton Grove, Rusholme, Manchester, M14 5JP

Auditors

Crowe U.K. LLP, 3rd floor, The Lexicon, Mount Street, Manchester, M2 5NT

Bankers

Unity Trust Bank, PO Box 7193, Planetary Road, Willenhall WV1 9DG

Investment managers

Cazenove Capital Management, 12 Moorgate, London, EC2R 6DA

NORTHERN BAPTIST COLLEGE LIMITED

Annual Report of the Trustees for the Year to 31 August 2023

B. Structure, Governance and Management

Governing Document

Northern Baptist College was formed in 1963 when the Baptist ministerial training colleges at Rawdon and Manchester amalgamated. A new building was erected on the Manchester site and the united college became Northern Baptist College. In the 1970's new schemes of training for ministry were inaugurated in partnership with colleges of other denominations in the city. After the creation of the Northern Federation for Training in Ministry, the main college building was renamed Luther King House. It is now owned by the Luther King House Educational Trust and managed ecumenically. Northern Baptist College plays a full role within the Trust Partnership.

Northern Baptist College Limited is now a charitable company limited by guarantee, registered in England and Wales (No. 573403), and is registered as a charity (No. 1108216). The Company was established under a Memorandum of Association, which sets out the objects and powers of the charitable company and was governed under its Articles of Association.

The Charity was created to continue the work of its predecessor charity, Northern Baptist College (charity number 526653). Under a Charity Commission Scheme of 1 September 2009, two new charities were established to carry on and further develop the work of the predecessor charity – the Northern Baptist College Property Trust (charity number 1108216-1) and the Northern Baptist College Scholarship and Prize Fund (charity number 1108216-2). The new charities were established to take on the permanent endowment of the predecessor charity and the company became trustee of the Property Trust and the Scholarship Fund. Under a uniting direction, the Property Trust and the Scholarship Fund are to be treated as forming part of the company for the purposes of Part 4 (registration) and Part 8 (accounting) of the Charities Act 2011

The affairs of the Charity are governed by the board of trustees who meet as the Governing Body and who are also directors of the company. The charity operates under revised Articles of Association which were adopted by the Governing Body in August 2022. The governing body now consists of up to twelve trustees (with the possible addition of up to three non-voting co-optees).

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and, in the event of the company being wound up, members are required to contribute an amount not exceeding £10.00.

Recruitment and Appointment of trustees

Trustees are appointed by the existing Governing Body on the basis of their skills and experience with the exception of the Co-Principals who are appointed ex-officio. All other trustees may serve for a maximum of two, three-year terms after which they must retire for at least one year. Outside the scope of this report, three governors reach the end of their term of office in November 2023 and we are pleased to be able to report that three new appointments have been made which will be reported next year.

NORTHERN BAPTIST COLLEGE LIMITED

Annual Report of the Trustees for the Year to 31 August 2023

Trustee induction and training

The induction of a new trustee is aimed at ensuring that they understand the role of the Charity and the way in which their knowledge is a key part of ensuring that our responsibilities are comprehensively and fairly discharged within the law and within the spirit of the Christian family of which we are a part.

Organisational Structure

The Charity is administered by the Governing Body, which aims to hold three board meetings each year. The Governors are the trustees of the charity and also the directors of the company.

The day-to-day management of the Charity is overseen by the Senior Management Team, led by the College Co-Principals. They will usually meet weekly during term time. Regular meetings are also held by the Co-Principals with the Chair of Governors.

Risk Management

Trustees have a duty to identify the key strategic, business and operational risks of the Charity and to review these at least once per year. The trustees have established systems and controls to mitigate against the major risks which have been identified. A Risk Register has been established and is monitored by the Finance Committee on behalf of the Governing body. Any activity that has a high residual risk is monitored. A named staff member is appointed to oversee action to bring this down to acceptable levels when possible and a named trustee has board level oversight of this process. During the year, a substantive appointment was made to the post of College Manager (which had previously been an interim role). The College Manager has day-to-day responsibility for maintaining the risk register.

In the coming year, a revised Risk Management Framework will be introduced.

The two highest risks continue to be associated with the partnership with Luther King Centre. Although the hotel and conference service has seen a marked recovery after the pandemic, student numbers for the education work of the trust remain low, particularly at undergraduate level.

High-level conversations about the future strategy for LKC are underway. NBC has agreed short-term support for LKC by paying the Block Charge upfront. In addition, NBC has paid half the costs of an asbestos survey for the buildings, and have undertaken to employ the Chaplaincy Programme Manager on behalf of the Centre.

Associated to this risk is the loss of essential services provided by the partnership, particularly with regard to the academic administration of students' courses. As well as putting contingency plans in place to ensure that students' formation can continue, NBC has been proactive in managing these risks. We remain convinced that the partnership with Luther King Centre remains a key part of our 'hub-based' strategy for delivering our charitable aims. Nevertheless, a long-term strategy to place the partnership on a more secure financial footing is necessary. We have agreed with Northern College (United Reformed and Congregational) that the two colleges will increasingly drive these conversations.

Two other risks remain at levels which the governors are monitoring closely. The first of these

NORTHERN BAPTIST COLLEGE LIMITED

Annual Report of the Trustees for the Year to 31 August 2023

arises from competition from other providers. It remains to be seen what the long-term impact of Covid-19 will be. However, initial impressions are that there are fewer students coming forward for formation. If it is to continue to attract students, it is essential that NBC cements its unique identity in what is an increasingly crowded market. Governors are now two years into the implementation of the five-year strategy which embeds NBC's position as a uniquely 'inclusive' provider of ministerial formation. Significant up-front investment has already been made, and there are early indications that this is having a positive impact on student numbers.

The final substantive risk identified last year is the level of student debt. It is pleasing to report significant progress in this regard. NBC is now much more proactive in dealing with student finances and the majority of student debt is now the result of genuine hardship. We will always seek to support students in difficulty. Most of our students are not eligible for Student Finance so are responsible for the payment of their own fees. It has been recognised nationally that this is an issue facing the entire Baptist denomination and a review of student support has been commissioned nationally. NBC continues to be an active participant in that review although, inevitably, this has been impacted by Covid-19.

Fundraising

The charity did not undertake any fundraising activities under section S162A of the Charities Act 2011.

C. Objectives and Activities

Objects of the Charity

The Articles of Association set out the primary object of the Company:

To advance the Christian Religion and advance education by providing theological education, primarily for Christian people, with a view to ministry and mission in and through Baptist Churches in Great Britain and worldwide, and the Doctrines and Principles of Religion maintained by Baptist Churches as set forth in the "Declaration of Principle" adopted from time to time in the Constitution of the Baptist Union of Great Britain, shall be taught.

This is also the object of the Northern Baptist College Limited Property Trust under the Charity Commission Scheme of 1 September 2009, the object of the Northern Baptist College Limited Scholarship and Prize Fund was set out as follows:

To further the education of pupils attending the Northern Baptist College Limited by the award of scholarships or prizes.

Our hope and our belief continue to be that we are able to fulfil our desire for NBC to be a community where, to quote our vision and values, those to whom we minister learn to be:

- Mission-focused: engaging with the world, not hiding in the church.
- Relationally committed: collaborating with others instinctively, not going it alone.
- Theologically savvy: rooted in the biblical story, not just doing whatever seems to 'work'.
- Servant hearted: knowing that leadership is about loving people, not building empires.

NORTHERN BAPTIST COLLEGE LIMITED

Annual Report of the Trustees for the Year to 31 August 2023

- Community oriented: seeking justice for all, not settling for anything less.
- Lifelong learners: embracing growth and development, not stuck in their ways.

Public benefit statement

Each year, the trustees review the objectives and activities of the Charity to ensure that they continue to reflect the Charity's aims and to provide public benefit. The trustees consider that they have complied with their duties under the Charities Act 2006 to have due regard to public benefit guidance published by the Charity Commission. Faith gives meaning to people's lives and contributes to their well-being. It offers a vision for peace and harmony and provides a moral and ethical foundation to support people in serving the community at every level.

NBC contributes to developing and delivering the vision and strategy of Baptists Together (Baptist Union of Great Britain) both nationally and regionally, through the various Baptist associations and other Baptist Colleges. We support the work of Luther King Centre through its partnership in the Centre for Theology and Justice and through its Open Learning Programme of lectures and workshops which are open to anyone. Individual tutors contribute to various academic and denominational publications and to symposiums and conferences in the areas of theology, mission and Biblical studies.

Grant Making Policy

NBC administers the Baptist Union of Great Britain Bursary scheme. These bursaries are means-tested and are targeted towards students who would find it difficult to pay for their training and formation. Bursaries given are specifically to help Ministers in Training with the costs of their academic and formation fees but may also be given to provide for example, support for additional learning needs or assessments and counselling. Students are supported and encouraged to apply for other grants and awards as appropriate.

Governors have agreed the establishment of a hardship fund, which will be administered at the discretion of the Co-Principals. As part of the year end process, funds under-spent against the Student Support budget will be transferred into a designated fund. The Finance Committee will draft Terms of Reference for its administration.

NBC administers a grant received by the Creating Sanctuary project from the Sir Halley Stewart trust. Payments are made from this ring-fenced fund against expenditure on the project. No other grants or payments are made against these funds.

D. Achievements and performance

In the year to August 2023, we had twenty-one students undertaking ministerial formation (MITs), two at our Luther King House hub, eight at St. Hild, six at Cranmer Hall and five students came through our partnership with the Light College and Collective.

Of these students three were on Foundation Diploma courses, six were on Undergraduate Diploma programmes, four were on BA, five on MA, with others already having the required academic qualifications and/or auditing courses.

Of our ten leaving students, two students graduated with a BA, two with MAs (with a further two in the process of completing their dissertations) and four with a diploma-level qualification.

NORTHERN BAPTIST COLLEGE LIMITED

Annual Report of the Trustees for the Year to 31 August 2023

Baptists Together have introduced a new settlement process which is now in its second year of operation. Students are now required to make direct application to churches, rather than being put in touch through a national settlement process. This, combined with some churches and students taking time to reflect on what ministry might look like moving forward has had an impact upon our Ministers in Training. At the end of August, three of our leavers had not finalised their settlement although one has since settled.

This year forms the second year of delivering our five-year strategy which was approved in July 2021.

1. To develop and emphasise NBC's focus on issues of justice and inclusion within a holistic understanding of mission.

During the year to August 2023, we have recruited a further two new Tutors for Inclusion who have a specific brief to broaden participation from underrepresented communities. Dawn Cole Savidge has been appointed as Tutor for the Inclusion of Young Adults, while Charmain Howard has been appointed as Tutor for the Inclusion of Black and Brown people. We now have a cohort of tutors whose briefs are to increase the diversity of the college's work with Young Adults; Black and Brown people; Disabled people and LGBTQI+ people.

There are early signs that we are attracting a more diverse student cohort, although it is too early to discern any trend.

2. To develop our work with pioneers and chaplains

During the year, NBC has employed Liz Shercliff to co-ordinate Luther King Centre's Chaplaincy Programme which is already developing a national profile.

One of the reasons for the delay in settling some of our students is that they are trying to arrange pioneering ministries.

3. To develop and expand online learning opportunities

Edifi – our training programme for local leaders – has held a number of well-received online learning events during the year.

Sadly, for personal reasons, Margaret Gibbs has needed to step back from the Edifi role. We will be reviewing this programme over the coming year.

4. To develop a range of CMD learning opportunities with an emphasis on training the trainers

Continuing Ministerial Development (CMD) will primarily be delivered through a range of learning opportunities in areas such as pastoral supervision, spiritual direction and through facilitating the Creating Sanctuary resource.

This is an area of our work where we have not made as much progress as had been hoped, but remains a priority for the coming year.

NORTHERN BAPTIST COLLEGE LIMITED

Annual Report of the Trustees for the Year to 31 August 2023

5. To give a greater priority to creation care as part of the mission of God

NBC is part of the Theological Colleges Environmental Network whose two-pronged approach may be summarised as sharing best practice in facilities management and other practical measures and developing an environmentally sustainable approach to the curriculum.

With regard to the latter, in the face of some reluctance from students, we are placing a greater emphasis on environmental issues through the Baptist Leadership Programme, as well as through those academic programmes into which we have direct input.

As a diverse hub-based community, it is no simple matter to improve our premises – those of the hub colleges are outside our control. However, we have commissioned a survey of the properties we own and will be developing a programme of improvements over the coming year.

E. Financial Review

Pensions

We are committed to enabling all staff to save for their retirement. Directly employed staff are, unless otherwise requested, automatically enrolled in the Baptist Pension Scheme, details of which can be found in note 1.4 of the accounts. An equivalent sum is included in secondment agreements for seconded staff to enable them to continue with their existing pension arrangements.

For the first time in two decades, the Baptist Pension fund is not in a shortfall position. As a result, the Trustee has agreed that deficit recovery contributions should continue at just £1 per month per employer. The fund itself is now subject to a 'buy-in' policy from the Just Group.

Pay Policy for Senior Staff

Staff pay is agreed by the Governing Body in accordance with the Pay Policy agreed in December 2022. Remuneration for senior staff is based on role, experience and performance. Increments are based on a percentage of the Baptist Union of Great Britain's standard stipend and follow the pattern set by BUGB

F. Reserves policy

NBC accounts for its reserves on a Total Returns Basis.

At the January 2021 Board Meeting, it was agreed that the Trust for Investment of the Bennett Redihough endowments should be set at £1,983,724, representing the probate figure of £3,009,724, less £26,000 of specific bequests and less a further £1m which the Charity Commission authorised to be spent in November 2012.

All monies over and above this figure will be treated as an unallocated investment reserve.

However, trustees agreed that it is desirable to preserve the original value of the endowment and agreed that this should be set at the value of the Trust for Investment plus an allowance of 110% for inflation. Thus, trustees will treat the figure of £4,165,820 as the original value of the endowment.

NORTHERN BAPTIST COLLEGE LIMITED

Annual Report of the Trustees for the Year to 31 August 2023

Over a five-year, rolling period, trustees will aim to preserve this value in line with the Retail Prices Index measure of inflation.

G. Funds and Investments

Once again, we must report significant volatility in the markets. The turbulence resulting from the short-lived Truss government was followed by some recovery during the year, but overall in the year to August 2023, our total portfolio value had declined by £189,533. However, we are pleased to report that the portfolio still generated income of £204,117 against a budget expectation of £180,000. Against a budgeted operating deficit of £105,232.09 our actual operating deficit was £92,560.

In the present climate, NBC's attitude to our investments continues to be to take a medium to long term view and not to allow short-term market fluctuations overly to affect our investment strategy. Even if our deficit were to reach £100,000 and the portfolio value were to decline by 5%pa our reserves would still last around 14 years.

H. Going Concern

Given the reserves described in §G above, trustees have no hesitation in confirming that Northern Baptist College remains a Going Concern.

Recruitment for September 2023 has been lower than anticipated. Anecdotally, this has impacted all Baptist Colleges nationally. Whilst we believe that this is a short-term effect of the global pandemic, we recognise that this may herald fewer people coming forward for training for accredited ministry. NBC believes that its 'inclusive strategy' which recognises that 'ministry' is broader than simply the Baptist accredited scheme will protect it from any fall in demand for more traditional forms of ministry. As will be reported next year, we have introduced measures to address this moving forward.

I. Plans for future Periods

This has been the second year of our five-year strategic plan. This builds upon – and celebrates – the previous strategic vision. In the medium-term, our focus will be upon delivery of the five objectives identified in §D above

We have introduced an Alternative Formation Track for those unable to meet the requirements of the Baptist Accreditation Scheme and are actively pursuing a more diverse student intake.

Very early conversations have begun with partner organisations about the long-term, strategic future of the college.

J. Statement of the Trustees Responsibilities.

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

NORTHERN BAPTIST COLLEGE LIMITED

Annual Report of the Trustees for the Year to 31 August 2023

Company law requires the Charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources, including the 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 in the Charities SORP;
- 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 charity will be able to continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and to 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.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Charity governance code

NBC Governors have adopted the Charity Governance Code for small charities. The governors are clear about the charity's aims and monitor and review vision and strategy on a 5-yearly cycle. A new strategic vision has been adopted which will be formally reviewed in 2026. In recent years we have made significant changes to our governing body to ensure that it has the right skills and experience represented on it and provides strategic leadership. The governing body acts according to the Nolan principles of public life. The governing body are aware of key risks and review these regularly. The Governing body are keenly aware of issues of diversity for example this year we introduced a new statement of principles around gender, sexuality and safeguarding. We seek to be open and accountable in our work. As part of this our senior students who are appointed by the student body have an open invitation to Governing Body meetings and provide a report to each meeting. This year in response to students questions we have produced a detailed report on the college finances for students, which practise will be incorporated into the college's reporting cycle.

We are aware that the Charity Commission made changes to the Code in 2020, but did not feel it was opportune to discuss these whilst meeting electronically. A full review of our compliance with the code is underway, but will not report to trustees until 2024.

NORTHERN BAPTIST COLLEGE LIMITED

Annual Report of the Trustees for the Year to 31 August 2023

K. Disclosure of Information to the Auditors

In so far as the trustees are aware at the time of approving our trustees' annual report:

- There is no relevant audit information, being information needed by the auditor in connection with preparing their report, of which the Charity's auditor is unaware; and
- The trustees, having made enquiries of fellow directors and the auditor that they ought to have individually taken, have each taken all steps and he/she is obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.



By order of the trustees
Richard Lewis - Trustee

DATE: 4th MARCH 2024

NORTHERN BAPTIST COLLEGE LIMITED

Independent Auditor's Report to the Members of Northern Baptist College Limited

Opinion

We have audited the financial statements of Northern Baptist College Limited for the year ended 31 August 2023 which comprise the Statement of Financial Activities, Balance Sheet, Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2023 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our

NORTHERN BAPTIST COLLEGE LIMITED

Independent Auditor's Report to the Members of Northern Baptist College Limited

report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of our audit

- the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption in preparing the trustees report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 9, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to

NORTHERN BAPTIST COLLEGE LIMITED

Independent Auditor's Report to the Members of Northern Baptist College Limited

liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, Charities Act 2011 and employment legislation.

We identified areas of laws and regulations that could be reasonably expected to have a material effect on the financial statements from our sector experience, through discussions with the Directors, and from inspection of the Company's board minutes and legal and regulatory correspondence.

We assessed the susceptibility of the financial statements to material misstatement, including how fraud might occur, by meeting with management from relevant parts of the business to understand where management considered there was a susceptibility to fraud. We also considered the potential for management to manage earnings and influence the perceptions of the financial statements.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management and completeness of income. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, sample testing from student record documentation, proof in total on conference income based on published fees and delegate list, reviewing rental agreements for rental income and sample testing of investment income from investment reports and loan agreements.

Audit procedures performed by the engagement team included:

- Evaluation of the design of controls established to address the risks related to material irregularities in the financial statements; Testing manual journal entries, in particular journal entries relating to management estimates and entries determined to be large or relating to non-routine transactions.
- Evaluation of income recognition policies and any judgements made around income recognition; reviewing the income system for significant deficiencies or susceptibility to fraud;

NORTHERN BAPTIST COLLEGE LIMITED

Independent Auditor's Report to the Members of Northern Baptist College Limited

- Challenging assumptions and judgements made by management in their significant accounting estimates;
- Agreement of the financial statement disclosures to underlying supporting documentation;
- Making enquiries of management;
- Review of minutes of board meeting throughout the period;

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Vicky Szulist

Senior Statutory Auditor

For and on behalf of

Crowe U.K. LLP

Statutory Auditor

The Lexicon
Mount Street
Manchester
M2 5NT

4th March 2024.

NORTHERN BAPTIST COLLEGE LIMITED

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 AUGUST 2023

	Notes	Unrestricted funds £	Restricted funds £	Endowed Funds £	Total 2023 £	Total 2022 £
Income:						
Donations and legacies	3	18,750	-	-	18,750	19,158
<i>Income from charitable activities:</i>						
Operation of ministerial training college	4	137,250	-	-	137,250	203,440
Investment income	5	10,922	-	204,117	215,039	202,380
Total income		166,922	-	204,117	371,039	424,978
Expenditure						
<i>Expenditure on charitable activities</i>						
Operation of ministerial training college	6	463,599	-	-	463,599	369,811
Total expenditure		463,599	-	-	463,599	369,811
Net (expenditure)/income before transfers and gains for the year	9	(296,677)	-	204,117	(92,560)	55,167
Transfers between funds		-	-	-	-	-
Other recognised gains/losses:						
Net gains/(losses) on investments	12	-	-	(189,533)	(189,533)	(307,692)
Net (expenditure)/income and net movement in funds for the year		(296,677)	-	14,584	(282,093)	(252,525)
Reconciliation of funds						
Total funds brought forward		1,003,828	411,351	5,142,904	6,558,083	6,810,608
Total funds carried forward at 31 August 2023		707,151	411,351	5,157,488	6,275,990	6,558,083

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

All income and expenditure derive from continuing activities.

NORTHERN BAPTIST COLLEGE LIMITED

BALANCE SHEET

Company No: 573403

AS AT 31 AUGUST 2023

	Note	2023 £	£	2022 £	£
Fixed assets					
Tangible fixed assets	11	411,588		412,620	
Fixed assets investments	12	5,755,123		5,967,686	
Total Fixed Assets		6,166,711		6,310,306	
Current assets					
Debtors	13	50,806		61,790	
Cash at bank and in hand		75,121		129,201	
		125,927		190,991	
Creditors: amounts falling due within one year	14	(16,648)		(13,214)	
Net current assets		109,279		177,777	
Total net assets		6,275,990		6,558,083	
Funds of the charity					
Unrestricted funds	15	707,151		1,003,828	
Endowment funds	16,19	5,157,488		5,142,904	
Restricted funds	16	411,351		411,351	
Total Charity funds		6,275,990		6,558,083	

These financial statements are prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the company.

The notes at pages 19 to 32 form part of these accounts.

The financial statements were approved by the Governing Body on 4 MARCH 2024 and signed on its behalf by:



Richard Lewis
Trustee

NORTHERN BAPTIST COLLEGE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED AT 31 AUGUST 2023

	2023 £	2022 £
Net income for the year	(282,093)	(252,526)
Investment income	(215,039)	(202,380)
Depreciation	6,400	6,863
Net gains/(losses) on investments	189,533	307,691
(Increase)/decrease in debtors	10,984	70,144
Increase/(decrease) in creditors	3,434	(75,280)
Net cash flow from operating activities	(286,781)	(145,488)
Cash flows from investing activities		
Investment income	215,039	202,380
Purchase of fixed assets	(5,368)	-
Purchase of investments	-	-
Sale of investments	23,030	17,000
Net cash flow from investing activities	232,701	219,380
Increase (decrease) in cash and cash equivalents in the year	(54,080)	73,892
Cash and cash equivalents at the beginning of the year	129,201	55,309
Total cash and cash equivalents at the end of the year	75,121	129,201
Cash and cash equivalents at the end of the year consist of:		
Cash at bank and in hand	75,121	129,201

NORTHERN BAPTIST COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting Policies

Northern Baptist College Limited is a private company limited by guarantee, incorporated in England and Wales.

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

1.1 Basis of preparation

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.

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

Northern Baptist College Limited 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 notes.

1.2 Preparation of the accounts on a going concern basis

The Trustees have moved to Total Return Accounting which provides an unallocated investment reserve of just under £566k.

Current forecasts show a small deficit for future years but investment returns are expected to remain strong. Different scenarios have been forecast which shows that the Trustees have a number of years to address this issue.

As such the Trustees consider that the Charity is a going concern for the foreseeable future with no material uncertainties.

1.3 Income recognition

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

Most student course fees are invoiced at the beginning of the academic year and are receivable then.

Unsolicited donations are accounted for when received. For legacies, entitlement is taken at the earliest of:

- the date on which the Charity is aware that probate has been granted;
- the estate has been finalised and notification has been made by the executor(s) to the Charity that a distribution will be made; or
- when a distribution is received from the estate.

Other income is accounted for on a receivable basis.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

Interest on funds held on deposit is included upon notification of the interest paid or payable by the deposit taker. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by our Investment manager of the dividend yield of the investment portfolio.

1.4 Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to that category.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Allocation of governance costs

Governance costs are those costs associated with charity governance requirements and which relate to the general running of the organisation.

Staff pensions

The charitable company is an employer participating in the Baptist Pension Scheme ("the BPS").

From January 2012, pension provision for the Co-Principals is being made through the Defined Contribution (DC) Plan within the BPS. In general, members pay 8% of their Pensionable Income and employers pay 6% of members' Pensionable Income into individual pension accounts. In addition, the employer pays a further 4% of Pensionable Income (or 3% if the employer is in the segregated DC section) to cover Death in Service Benefits, administration costs, and an associated insurance policy which provides Income protection for BPS members in the event that they are unable to work due to long-term incapacity. This income protection policy has been insured by the Baptist Union of Great Britain with Aviva. Members of the Basic Section of BPS pay reduced contributions of 5% of Pensionable Income, and their employers also pay a total of 5%.

Benefits in respect of service prior to 1 January 2012 are provided through the Defined Benefit (DB) Plan within the BPS. The main benefits were:

- In the BPS, 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; and

The BPS, previously known as the Baptist Ministers' Pension Fund, started in 1991. The scheme was closed to future accrual of defined benefits on 31 December 2011.

The table below summarises the main results of the most recent actuarial valuations of the Defined Benefit (DB) Plan in the BPS. These valuations were performed by a professionally qualified Actuary using the Projected Unit Method.

	<u>BPS DB Plan</u>
Date of valuation	31/12/2019
Date of next valuation (currently under preparation)	31/12/2022

NORTHERN BAPTIST COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

Market value of scheme assets (A)	£298m
Technical provisions (B)	£316m
Deficit [(B) - (A)]	£18m
Funding level [(A)/(B)]	94%

As a result of the valuation, in addition of the contributions to the DC Plan set out above, the following deficiency contributions were agreed:

- For the BPS, the standard rate of deficiency contributions payable remains at previously agreed levels, increasing each year in line with increases in the Minimum Pensionable Income. The deficiency contributions are broadly based on 12% of Pensionable Income/Minimum Pensionable Income, reflecting each employer's contributions in March 2015. Some employers that were involved in the DB Plan for a short period pay lower contributions. The Trustee and the Council agreed a 50%

Staff pensions continued

reduction for all deficiency contributions payable between 1 July 2020 and 31 December 2020. The current Recovery Plan dated 30 September 2020 envisages deficiency contributions continuing until 30 June 2026. From 29 July 2022, the trustees of the Baptist Pension Scheme entered into a new agreement with a third party, whereby deficit contributions payable were reduced to £12 per year.

The key financial assumptions underlying the valuations were as follows:

	BPS	BUSPS
Type of assumption	%pa	%pa
RPI price inflation assumption	3.20	3.45
CPI price inflation assumption	2.70	2.70
Minimum Pensionable Income increases (BPS only)	3.20	n/a
Pensionable Salary increases (BUSPS only)	n/a	3.70
Assumed investment returns		
- pre-retirement	2.95	3.50
- post-retirement	1.70	2.25
Deferred pension increases		
- pre-April 2009	3.20	3.45
- post April 2009	2.50	2.50
Pension increases (BPS main scheme pension and BUSPS pension)		
- pre-April 2006	2.70	3.25
- post April 2006	2.70	2.15

As there are numbers of contributing employers participating in both the BPS and the BUSPS, the charitable company is unable to identify its share of the underlying assets and liabilities of the schemes. Accordingly, the profit and loss charge for the period represents the employer contributions payable.

NORTHERN BAPTIST COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

The employer contribution for all schemes is taken to the Statement of Financial Activities as incurred.

The next actuarial valuation of the DB Plan within the BPS is due as at 31 December 2022.

1.5 Tangible fixed assets and depreciation

The Charity's policy with regard to fixed assets is to capitalise those with a value over £500. Tangible fixed assets are capitalised at their purchase price together with any incidental expenses of acquisition.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and Buildings	1% straight line
Office equipment	25% and 33.33% on cost

1.6 Fixed asset investments

Investments are initially recognised at their transaction value and subsequently measured at their market value as at the balance sheet date using the closing quoted market price. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

1.7 Debtors

Student debtors are recognised at the settlement amount due. Any losses arising from impairment are recognised in expenditure. Prepayments are valued at the amount prepaid.

1.8 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.

1.9 Creditors

Creditors are recognised where the Charity 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 to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any discounts due.

1.10 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.

NORTHERN BAPTIST COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

1.11 Taxation

The company has charitable status and is thus exempt from taxation of its income and gains to the extent that they are applied to its charitable objects.

1.12 Fund accounting

Unrestricted funds are donations and other incoming resources which are available for use at the discretion of the trustees in furtherance of the objects of the charity without further specified purpose and which have not been designated for other purposes.

Restricted funds are subject to restrictions on their expenditure imposed by the donor. Expenditure which meets this criterion is charged to the fund together with a fair allocation of overhead costs.

Judgements in applying accounting policies and key sources of estimation uncertainty

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Impairment of debtors

The charity makes an estimate of the recoverable amount of trade and other debtors. When assessing the impairment of trade and other debtors, the management team considers factors including the financial strength and ageing profile of the debtors and historical experience. The net carrying amount of the debtors is set out at Note 13.

2 Legal status of the Charity

The Charity is a company limited by guarantee and has no share capital. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the Charity.

3 Income from donations and legacies

	2023	2022
	£	£
Gifts	18,750	19,158
	18,750	19,158

NORTHERN BAPTIST COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

4 Income from charitable activities

	2023	2022
	£	£
Student fees	125,244	162,341
Conference income	12,006	41,099
	<u>137,250</u>	<u>203,440</u>

5 Investment income

	2023	2022
	£	£
Listed investments	204,117	198,219
Loan Interest	10,398	4,161
Bank and other interest	524	-
	<u>215,039</u>	<u>202,380</u>

Of the £215,039 received in 2023 (2022: £202,380), £204,117 was endowed funds (2022: £198,218) and £10,922 was unrestricted funds (2022: £4,161).

NORTHERN BAPTIST COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

6 Analysis of expenditure on charitable activities

	2023 £	2022 £
Other costs relating to charitable activities comprise:		
Staff costs (see note 10)	222,716	133,501
Tutorial fees and expenses	26,552	39,609
Academic fees	8,551	24,251
College bloc charge – Luther King House Educational Trust	59,000	34,000
Conference expenses	45,219	38,310
Travelling expenses	9,308	5,281
Catering costs	2,768	1,643
Rates and ground rents	4,487	4,468
Heat and light	1,969	1,997
Insurance	3,686	3,359
Printing, postage, stationery and advertising	3,226	830
Telephone	1,192	1,125
Books and publications	1,248	921
Legal and professional fees	5,280	1,500
Bookkeeping and payroll fees	2,400	4,440
Repairs and renewals	9,723	2,650
Provision for unpaid student fees	-	2,292
Student bursaries	27,933	33,361
Sundry expenses	5,241	12,532
Bank charges	290	255
Depreciation of tangible fixed assets	6,400	6,861
	447,189	353,186

7 Governance costs

	2023 £	2022 £
Governance costs comprise:		
Auditors' fees	7,860	7,420
	7,860	7,420

8 Support costs

	2023 £	2022 £
Support costs comprise:		
Portfolio Management fees	8,550	9,205
	8,550	9,205

9 Net income/(expenditure) for the year

	2023 £	2022 £
This is stated after charging:		
Depreciation of tangible fixed assets	6,400	6,861
Auditors' remuneration	7,860	7,420

NORTHERN BAPTIST COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

10 Analysis of staff costs and trustee expenses

The key management personnel of the College are Rev Dr Clara Rushbrook and Rev Dr Glen Marshall who acted as College Co-Principals during the period and their joint remuneration for the year to 31 August 2023 was £125,214 (2022: £117,647). Although trustees of the college the Co-Principals are remunerated as employees.

None of the trustees or persons connected with them have received or obtained any remuneration or other financial benefits for the year either directly or indirectly from the funds of Northern Baptist College Limited. During the year, travel and phone expenses were reimbursed to 8 trustees (2022: 8). The aggregate amount of expenses paid was £12,367 (2022: £2,222).

Staff costs

	2023 £	2022 £
Salaries	191,793	168,396
Social security costs	13,030	11,749
Pension contributions	17,893	(46,644)
	222,716	133,501

The credit to pension contributions in the prior year is due to the release of the pension deficit creditor of £71,656.

The average number of employees during the year, calculated on the basis of full-time equivalents, was as follows:

	2023 Number	2022 Number
Ministerial training	6	4
Support staff	2	2
	8	6

No members of staff are paid over £60,000 (2022: nil).

NORTHERN BAPTIST COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

11. Tangible fixed assets

<i>Cost</i>	Freehold Property £	Office Equipment £	Total £
At 1 September 2022	442,009	18,443	460,452
Additions		5,368	5,368
At 31 August 2023	442,009	23,811	465,820
<i>Depreciation</i>			
At 1 September 2022	30,938	16,894	47,832
Charge for the year	4,420	2,280	6,400
At 31 August 2023	35,358	18,874	54,232
<i>Net book value</i>			
At 31 August 2023	406,651	4,937	411,588
At 31 August 2022	411,071	1,549	412,620

12. Fixed asset investments

	2023 £	2022 £
Investment portfolio – Cazenove Capital Management	4,715,123	4,927,685
Stake in Luther King House Educational Trust	1,040,000	1,040,000
	5,755,123	5,967,685
<i>Investment portfolio</i>		
At 1 September 2022	4,927,685	5,252,377
Additions	-	-
Disposal proceeds	(23,030)	(17,000)
	4,904,656	5,235,377
Revaluation as at 31 August 2023	(189,533)	(307,692)
	4,715,123	4,927,685
The investment portfolio comprises:		
UK listed investments	1,658,470	228,631
Overseas listed investments	3,056,653	4,699,054
	4,715,123	4,927,685

NORTHERN BAPTIST COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

Stake In Luther King House Educational Trust

The Charity was a founder member of Luther King House Educational Trust (LKHET) in September 2000. As part of the financial basis for Luther King House Educational Trust, the Charity transferred cash of £50,000 and the land and buildings at Luther King House to a charity called Luther King House Property Trust under a Charity Commission Scheme dated 27 June 2002. At the date of transfer, the land and buildings were valued at £700,000.

Under the terms of the Luther King House Property Trust, as a founder member of LKHET, the Charity has rights in relation to the disposal of the assets of the Property Trust in the event of its dissolution. The scheme provides that, under a revision of the scheme, 62.5% of the value of the land and buildings will be distributed to the Charity. The most recent professional valuation of the property in January 2015 was £3 million.

Luther King House Property trust is now part of Luther King House.

13 Debtors

	2023	2022
	£	£
Student debtors	10,247	26,982
Prepayments and accrued income	15,559	9,808
Amounts due from related party	25,000	25,000
Total	50,806	61,790

14 Creditors: amounts falling due within one year

	2023	2022
	£	£
Trade creditors	1,610	2,540
Accruals and deferred income	15,038	10,674
Pension liability	-	-
	16,648	13,214

NORTHERN BAPTIST COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

15 Unrestricted Funds

	Balance at 1 September 2022 £	Incoming Resources £	Expenditure incurred £	Gains/ (losses) and transfers £	Balance at 31 August 2023 £
General Funds	1,000,874	166,922	(463,599)	(10,000)	694,197
College Library Fund	2,954	-	-	-	2,954
Discretionary Hardship Fund	-	-	-	10,000	10,000
	1,003,828	166,922	(463,599)	-	707,151

	Balance at 1 September 2021 £	Incoming Resources £	Expenditure incurred £	Gains/ (losses) and transfers £	Balance at 31 August 2022 £
General Funds	1,167,481	226,759	(369,811)	(23,555)	1,000,874
College Library Fund	2,954	-	-	-	2,954
	1,170,435	226,759	(369,811)	(23,555)	1,003,828

16 Restricted & Endowed Funds

	Balance at 1 September 2022 £	Income/ (expenditure) £	Gains/ (losses) and transfers £	Balance at 31 August 2023 £
Property Trust	293,895	-	-	293,895
Sir Halley Stewart Trust	23,555	-	-	23,555
Scholarship and Prize Fund	93,901	-	-	93,901
	411,351	-	-	411,351
Bennett/Reddihough Endowed Funds	5,142,904	204,117	(189,533)	5,157,488

Investment income received on restricted funds is transferred to the unrestricted funds account as there is no restriction placed on this income.

The Property Trust and Scholarship and Prize Fund are historic restricted funds.

	Balance at 1 September 2021 £	Income/ (expenditure) £	Gains/ (losses) and transfers £	Balance at 31 August 2022 £
Property Trust	293,895	-	-	293,895
Sir Halley Stewart Trust	-	-	23,555	23,555
Scholarship and Prize Fund	93,901	-	-	93,901
	387,796	-	23,555	411,351
Bennett/Reddihough Endowed	5,252,377	198,219	(307,692)	5,142,904

NORTHERN BAPTIST COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

Funds

Funds referred to in these financial statements and previous financial statements as the Bennett/Reddihough Capital Funds are in fact endowed funds.

During the year, the Board agreed to undertake total return accounting. The original Trust for investments of the Bennett & Reddihough funds is estimated at £3,000,426 excluding Craven Manor Farm at Farnhill. In 2012, the Charity Commission permitted a transfer of £1m of the endowed funds to unrestricted funds for charitable purposes. The remaining Trust for investment of £2,000,426 when compared to the asset value of £5.25m leaves an unapplied investment return of £3.25m to be utilised by the Trustees. The Trustees have developed a total return policy which will enable them to preserve the value of the bequest in real terms.

At the beginning of 2020/21 there was a transfer of £1,043,170 from endowed funds to unrestricted funds as part of the transition to total return accounting, reflecting the funds not invested.

17 Analysis of net assets between funds

Fund balances at 31 August 2023 are represented by:	Unrestricted Funds	Restricted Funds	Endowed Funds	Total
	£	£	£	£
Tangible assets	411,588	-	-	411,588
Fixed assets investments	1,040,000	-	4,715,123	5,755,123
Debtors	50,806	-	-	50,806
Cash at bank and in hand	(778,595)	411,351	442,365	75,121
Creditors: amounts falling due within one year	(16,648)	-	-	(16,648)
Total net assets	707,151	411,351	5,157,488	6,275,990
 Fund balances at 31 August 2022 are represented by:	 Unrestricted Funds	 Restricted Funds	 Endowed Funds	 Total
	£	£	£	£
Tangible assets	412,620	-	-	412,620
Fixed assets investments	1,040,000	-	4,927,685	5,967,685
Debtors	61,791	-	-	61,791
Cash at bank and in hand	(497,369)	411,351	215,219	129,201
Creditors: amounts falling due within one year	(13,214)	-	-	(13,214)
Total net assets	1,003,828	411,351	5,142,904	6,558,083

NORTHERN BAPTIST COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

18 Related party transactions

Pension payments in respect of trustee pension contributions for two Trustees were £10,304 (2022: Two & £9,669).

Included in investments is a loan of £60,000 (2022: £60,000) and included in investments is a loan of £230,000 (2022: £230,000), both to Luther King House Educational Trust (LKHET). LKHET is related by virtue of Northern Baptist College Limited being a member college of LKHET. These loans are repayable when LKHET has funds available or on the dissolution of LKHET. Interest is payable at 1% below base rate on the £60,000 loan and at the daily rate set by the Charities Aid Foundation for its COIF units, collared at 4%, for the £230,000 loan. Also there was an additional loan made to LKHET of £25,000 in 2020/21, this loan is repayable when LKHET has funds available or on the dissolution of LKHET. Interest payable is capped at 1% above base rate. The total interest received during the year was £10,398 (2022: £4,161).

During the year, LKHET made sales to the Charity of £65,570 (2022: £57,672) and purchases of £6,165 from the Charity (2022: £23,116). At the year end the Charity held £3,078 (2022: £3,078) in accrued income due to the interest on the loans made to LKHET.

During the year, £15,563 (2022: £15,931) of sales were made by the Charity to Luther King Conference and Accommodation Services Limited (LKHCS), a trading subsidiary of LKHET. At the year end the Charity was owed £nil (2022: £nil).

A Trustee has received payments of £8,915 (2022: £3,033) from the College in relation to works carried out on behalf of the Creating Sanctuary project, which is run and managed by One Body, One Faith, who as an unincorporated charity are unable to receive grant funding. The College, therefore received funding, on that charity's behalf, from which the Trustee has been paid. No amounts were payable to the Trustee as at the reporting date (2022: £nil).

NORTHERN BAPTIST COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

19 Endowment Fund Investments

	Endowment £	Inflation £	Unapplied Total Return £	Total £
At 1 September 2022				
Trust for investment/permanent endowment	2,000,426	-	-	2,000,426
Effect of inflation	-	2,411,380	(2,411,380)	-
Unapplied total return	-	-	3,142,478	3,142,478
Transfer to unrestricted	-	-	-	-
Total	2,000,426	2,411,380	731,098	5,142,904
Movements in the reporting period:				
Investment return: dividends and interest	-	-	204,117	204,117
Investment return: realised and unrealised gains and (losses)	-	-	(189,533)	(189,533)
Effect of inflation	-	180,038	(180,038)	-
Less: Investment management costs	-	-	-	-
Total	-	180,038	(165,454)	14,584
Unapplied total return allocated to income in the reporting period	-	-	-	-
Net movements in reporting period	-	180,038	(165,454)	14,584
At 31 August 2023:				
Trust for investment/permanent endowment	2,000,426	-	-	2,000,426
Effect of inflation	-	2,591,418	(2,591,418)	-
Unapplied total return	-	-	3,157,062	3,157,062
Total	2,000,426	2,591,418	565,644	5,157,488

The initial effect of inflation has been calculated on transition to total return accounting. The Trustees have agreed to protecting trust for investment against the impact of inflation over a five year rolling basis.

NORTHERN BAPTIST COLLEGE LIMITED

England & Wales - Charity number 1108216

Accounts



NORTHERN BAPTIST COLLEGE LIMITED
(a company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

Charity Registration Number: 1108216
Company Registration Number: 573403

NORTHERN BAPTIST COLLEGE LIMITED

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

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NORTHERN BAPTIST COLLEGE LIMITED

Annual Report of the Trustees for the Year to 31 August 2022

The trustees are pleased to present their annual directors' report together with the audited financial statements of the Charity for the year ended 31st August 2022, which are also 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 Memorandum and 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 application in the UK and Republic of Ireland (FRS 102) (effective 2019).

A. Reference and Administrative details of the charity, its trustees and advisors

Directors and trustees

The directors of the Charity are its trustees for the purpose of the charity law and are referred to as the trustees throughout this report. The affairs of the Charity are administered by the board of trustees, known as the Governing Body. The new Articles of Association provide for trustees to be appointed by election by the Governing Body. Current trustees are shown in bold type:

Karen Martindale		Chair of Governors
Clara Rushbrook		College Co-Principal
Glen Marshall		College Co-Principal
Robert Poole	(resigned 29 Nov 2022)	Treasurer
Neil Brighton	(appointed 21 Nov 2021)	Treasurer
Wayne Clarke		
Richard Lewis		
Jacquie Osmund-Smith		
Gary Serra di Migni	(resigned 21 Mar 2022)	
Christopher Upton		
Luke Dowding		

Two new governors have agreed by the trustees, but will not take up office until the Governing Body meeting in December 2022. They will be reported in next year's annual report.

Registered office

Luther King House, Brighton Grove, Rusholme, Manchester, M14 5JP

Auditors

Crowe U.K. LLP, 3rd floor, The Lexicon, Mount Street, Manchester, M2 5NT

Bankers

Unity Trust Bank, PO Box 7193, Planetary Road, Willenhall WV1 9DG

Investment managers

Cazenove Capital Management, 12 Moorgate, London, EC2R 6DA

NORTHERN BAPTIST COLLEGE LIMITED

Annual Report of the Trustees for the Year to 31 August 2022

B. Structure, Governance and Management

Governing Document

Northern Baptist College was formed in 1963 when the Baptist ministerial training colleges at Rawdon and Manchester amalgamated. A new building was erected on the Manchester site and the united college became Northern Baptist College. In the 1970's new schemes of training for ministry were inaugurated in partnership with colleges of other denominations in the city. After the creation of the Northern Federation for Training in Ministry, the main college building was renamed Luther King House. It is now owned by the Luther King House Educational Trust and managed ecumenically. Northern Baptist College plays a full role within the Trust Partnership.

Northern Baptist College Limited is now a charitable company limited by guarantee, registered in England and Wales (No. 573403), and is registered as a charity (No. 1108216). The Company was established under a Memorandum of Association, which sets out the objects and powers of the charitable company and was governed under its Articles of Association. During the year, we adopted a new governing document which allows for electronic meetings.

The Charity was created to continue the work of its predecessor charity, Northern Baptist College (charity number 526653). Under a Charity Commission Scheme of 1 September 2009, two new charities were established to carry on and further develop the work of the predecessor charity – the Northern Baptist College Property Trust (charity number 1108216-1) and the Northern Baptist College Scholarship and Prize Fund (charity number 1108216-2). The new charities were established to take on the permanent endowment of the predecessor charity and the company became trustee of the Property Trust and the Scholarship Fund. Under a uniting direction, the Property Trust and the Scholarship Fund are to be treated as forming part of the company for the purposes of Part 4 (registration) and Part 8 (accounting) of the Charities Act 2011.

The affairs of the Charity are governed by the board of trustees who meet as the Governing Body and who are also directors of the company. The charity operates under revised Articles of Association which were adopted by the Governing Body in August 2022. The governing body now consists of up to twelve trustees (with the possible addition of up to three non-voting co-optees).

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and, in the event of the company being wound up, members are required to contribute an amount not exceeding £10.

Recruitment and Appointment of trustees

Trustees are appointed by the existing Governing Body on the basis of their skills and experience with the exception of the Co-Principals who are appointed ex-officio. All other trustees may serve for a maximum of two, three-year terms after which they must retire for at least one year.

Trustee induction and training

The induction of a new trustee is aimed at ensuring that they understand the role of the Charity and the way in which their knowledge is a key part of ensuring that our responsibilities are comprehensively and fairly discharged within the law and within the spirit of the Christian family of which we are a part.

NORTHERN BAPTIST COLLEGE LIMITED

Annual Report of the Trustees for the Year to 31 August 2022

Organisational Structure

The Charity is administered by the Governing Body, which aims to hold three board meetings each year.

The day-to-day management of the Charity is overseen by the Senior Management Team, led by the College Co-Principals. They will usually meet weekly during term time. Regular meetings are also held by the Co-Principals with the Chair of Governors.

Risk Management

Trustees have a duty to identify the key strategic, business and operational risks of the Charity and to review these at least once per year. The trustees have established systems and controls to mitigate against the major risks which have been identified. A Risk Register has been established and is monitored at each governing body meeting. Any activity that has a high residual risk is monitored. A named staff member is appointed to oversee action to bring this down to acceptable levels when possible and a named trustee has board level oversight of this process. During the year, a substantive appointment was made to the post of College Manager (which had previously been an interim role). The College Manager has day-to-day responsibility for maintaining the risk register.

In the coming year, a revised Risk Management Framework will be introduced.

The two highest risks continue to be associated with the partnership with Luther King Centre. Although the hotel and conference service has seen a marked recovery after the pandemic, student numbers for the education work of the trust remain low, particularly at undergraduate level.

High-level conversations about the future strategy for LKC are underway. NBC has agreed short-term support for LKC by paying the Block Charge upfront and agreeing to a one-off £25k increase in that charge. We have also agreed to defer interest payments on the loans we have made to the partnership. However, these measures are purely short-term to enable the partnership to undertake a substantial review of its strategic future.

Associated to this risk is the loss of essential services provided by the partnership, particularly with regard to the academic administration of students' courses. As well as putting contingency plans in place to ensure that students' formation can continue, NBC has been proactive in managing these risks. We remain convinced that the partnership with Luther King Centre remains a key part of our 'hub-based' strategy for delivering our charitable aims. Nevertheless, a long-term strategy to place the partnership on a more secure financial footing is necessary. We have agreed with NoCo that the two colleges will increasingly drive these conversations.

Two other risks remain at levels which the governors are monitoring closely. The first of these arises from competition from other providers. It remains to be seen what the long-term impact of Covid-19 will be. However, initial impressions are that there are fewer students coming forward for formation. If it is to continue to attract students, it is essential that NBC cements its unique identity in what is an increasingly crowded market. Governors have now completed their quinquennial strategic review which had been delayed by the pandemic. The strategy was formally

NORTHERN BAPTIST COLLEGE LIMITED

Annual Report of the Trustees for the Year to 31 August 2022

ratified at the governors meeting in July 2021, and we look forward to implementing it in the coming months and years.

The final substantive risk identified last year is the level of student debt. It is pleasing to report significant progress in this regard. NBC is now much more proactive in dealing with student finances and the majority of student debt is now the result of genuine hardship. We will always seek to support students in difficulty. A majority of our students are not eligible for Student Finance so are responsible for the payment of their own fees. It has been recognised nationally that this is an issue facing the entire Baptist denomination and a review of student support has been commissioned nationally. NBC continues to be an active participant in that review although, inevitably, this has been impacted by Covid-19.

Fundraising

The charity did not undertake any fundraising activities under section S162A of the Charities Act 2011.

C. Objectives and Activities

Objects of the Charity

The Articles of Association set out the primary object of the Company:

To advance the Christian Religion and advance education by providing theological education, primarily for Christian people, with a view to ministry and mission in and through Baptist Churches in Great Britain and worldwide, and the Doctrines and Principles of Religion maintained by Baptist Churches as set forth in the "Declaration of Principle" adopted from time to time in the Constitution of the Baptist Union of Great Britain, shall be taught.

This is also the object of the Northern Baptist College Limited Property Trust under the Charity Commission Scheme of 1 September 2009, the object of the Northern Baptist College Limited Scholarship and Prize Fund was set out as follows:

To further the education of pupils attending the Northern Baptist College Limited by the award of scholarships or prizes.

Our hope and our belief continue to be that we are able to fulfil our desire for NBC to be a community where, to quote our vision and values, those to who we minister learn to be:

- Mission-focused: engaging with the world, not hiding in the church.
- Relationally committed: collaborating with other instinctively, not going it alone.
- Theologically savvy: rooted in the biblical story, not just doing whatever seems to 'work'.
- Servant hearted: knowing that leadership is about loving people, not building empires.
- Community oriented: seeking justice for all, not settling for anything less.
- Lifelong learners: embracing growth and development, not stuck in their ways.

NORTHERN BAPTIST COLLEGE LIMITED

Annual Report of the Trustees for the Year to 31 August 2022

Public benefit statement

Each year, the trustees review the objectives and activities of the Charity to ensure that they continue to reflect the Charity's aims and to provide public benefit. The trustees consider that they have complied with their duties under the Charities Act 2006 to have due regard to public benefit guidance published by the Charity Commission. Faith gives meaning to people's lives and contributes to their well-being. It offers a vision for peace and harmony and provides a moral and ethical foundation to support people in serving the community at every level.

NBC contributes to developing and delivering the vision and strategy of Baptists Together (Baptist Union of Great Britain) both nationally and regionally, through the various Baptist associations and other Baptist Colleges. We support the work of Luther King Centre through its partnership in the Centre for Theology and Justice and through its Open Learning Programme of lectures and workshops which are open to anyone. Individual tutors contribute to various academic and denominational publications and to symposiums and conferences in the areas of theology, mission and Biblical studies.

Grant Making Policy

NBC administers the Baptist Union of Great Britain Bursary scheme. These bursaries are means-tested and are targeted towards students who would find it difficult to pay for their training and formation. Bursaries given are specifically to help Ministers in Training with the costs of their academic and formation fees but may also be given to provide for example, support for additional learning needs or assessments and counselling. Students are supported and encouraged to apply for other grants and awards as appropriate.

This year, governors agreed not to set aside a specific hardship fund from NBC funds as, for the last several years, this has been 'swallowed up' by the levels of student debt. This policy is being reviewed as part of the budget-planning process.

NBC administers a grant received by the Creating Sanctuary project from the Sir Halley Stewart trust. Payments are made from this ring-fenced fund against expenditure on the project. No other grants or payments are made against these funds.

D. Achievements and performance

This year forms the first year of delivering our five-year strategy which was approved in July 2021.

1. To develop and emphasise NBC's focus on issues of justice and inclusion within a holistic understanding of mission.

During the year to August 2022, we have recruited two new Tutors for Inclusion who have a specific brief to broaden participation from underrepresented communities. Dawn Cole-Savidge is Tutor for Inclusion for LGBTQI+ people, while Ruth Wilde is Tutor for Inclusion for Disabled People. We have also advertised for a Tutor for Inclusion of Black and Brown people but have not yet been able to make an appointment.

It is too early for this to have had any impact upon our student cohort.

NORTHERN BAPTIST COLLEGE LIMITED

Annual Report of the Trustees for the Year to 31 August 2022

In the year to August 2022, we again had twenty-five students undertaking ministerial formation (MITs), seven at our Luther King House hub, six at St. Hild and seven at Cranmer Hall and five students came through our partnership with the Light College and Collective.

Of these students two were on an Undergraduate Diploma programmes, six were on BA, nine on MA, with others already having the required academic qualifications and/or auditing courses.

Of our seven leaving students, two students graduated with a BA, four with MAs and one student with a post-graduate certificate.

As last year, the Covid-19 emergency impacted the Baptist Settlement process. Nevertheless, it is pleasing to report that none of our leaving students are still seeking settlement.

Clearly, college life has been severely impacted by Covid-19 at all levels. Much teaching has been delivered online and Ministers in Training have found themselves leading churches in lockdown. We have continued to provide pastoral support as well as enabling our students to reflect theologically upon this remarkable context.

2. To develop our work with pioneers and chaplains

During the year, this work has primarily focused upon our partnership with the Light College and Collective whose cohort has increased to five. It is sad to report that no new students have come through this route for 2022-3.

Two of our students undertook specific placements in chaplaincy during the year although moving forward there will be severe funding constraints upon this sector.

3. To develop and expand online learning opportunities

Much work in this area has been forced upon us by the pandemic! It is clear that we are now extremely dependent upon technology and a substantial budget has been set aside for the development of this resource, together with the adoption of a new IT policy.

During the year, we recruited Margaret Gibbs as our new Co-ordinator for our Edifi programme. A successful *Discerning Together* course was held in the spring with a further programme of courses to be delivered from January 2023.

4. To develop a range of CMD learning opportunities with an emphasis on training the trainers

Continuing Ministerial Development (CMD) will primarily be delivered through a range of learning opportunities in areas such as pastoral supervision, spiritual direction and through facilitating the Creating Sanctuary resource.

In the year to August 2022, this has primarily been about laying the groundwork for this, however plans are well advanced and a budget has been set aside to allow our network of Associate Tutors to train on such courses with a view to delivering them themselves.

5. To give a greater priority to creation care as part of the mission of God

NORTHERN BAPTIST COLLEGE LIMITED

Annual Report of the Trustees for the Year to 31 August 2022

NBC has joined the nascent Theological Colleges Environmental Network whose two pronged approach may be summarised as sharing best practice in facilities management and other practical measures and developing an environmentally sustainable approach to the curriculum.

With regard to the latter, in the face of some reluctance from students, we are placing a greater emphasis on environmental issues through the Baptist Leadership Programme, as well as through those academic programmes into which we have direct input.

As a diverse hub-based community, it is no simple matter to improve our premises – those of the hub colleges are outwith our control. However, we have commissioned a survey of the properties we own and will be developing a programme of improvements over the coming year.

E. Financial Review

Pensions

We are committed to enabling all staff to save for their retirement. Directly employed staff are, unless otherwise requested, automatically enrolled in the Baptist Pension Scheme, details of which can be found in note 1.4 of the accounts. An equivalent sum is included in secondment agreements for seconded staff to enable them to continue with their existing pension arrangements.

For the first time in two decades, the Baptist Pension fund is not in a shortfall position. As a result, the Trustee has agreed that deficit recovery contributions will reduce to just £1 per month per employer from August 2022. The fund itself is now subject to a 'buy-in' policy from the Just Group.

Pay Policy for Senior Staff

Staff pay is agreed by the Governing Body. A revised Pay Policy will be submitted to the governing body in December 2022. Remuneration for senior staff is based on role, experience and performance. Increments are based on a percentage of the Baptist Union of Great Britain's standard stipend and follow the pattern set by BUGB.

F. Reserves policy

NBC accounts for its reserves on a Total Returns Basis.

At the January 2021 Board Meeting, it was agreed that the Trust for Investment of the Bennett Redihough endowments should be set at £1,983,724, representing the probate figure of £3,009,724, less £26,000 of specific bequests and less a further £1m which the Charity Commission authorised to be spent in November 2012.

All monies over and above this figure will be treated as an unallocated investment reserve.

However, trustees agreed that it is desirable to preserve the original value of the endowment and agreed that this should be set at the value of the Trust for Investment plus an allowance of 110% for inflation. Thus, trustees will treat the figure of £4,165,820 as the original value of the endowment.

NORTHERN BAPTIST COLLEGE LIMITED

Annual Report of the Trustees for the Year to 31 August 2022

Over a five-year, rolling period, trustees will aim to preserve this value in line with the Retail Prices Index measure of inflation. However, because of the 'unrealised' losses on our investment portfolio which are shown in our Statement of Financial Activity, we do not feel able to make any transfer to protect this measure this year.

G. Funds and Investments

There can be little doubt that these are volatile days for the financial markets. Just as markets were recovering after Covid, war in Ukraine and the growing cost of living crisis has severely impacted performance.

In the year to August 2022, our total portfolio value had declined by 3.2% from £5,252,377 to £4,927,685.

However, we are pleased to report that the portfolio still generated income of £198,212.60 against a budget expectation of £180,000. This overperformance, together with a number of other factors highlighted in Note 17 have led to a surplus of £55,167 (before investment losses) against a budgeted deficit of £82,263.

In the present climate, NBC's attitude to our investments is to take a medium to long term view and not to allow short-term market fluctuations overly to affect our investment strategy. Even if our deficit were to reach £100,000 and the portfolio value were to decline by 5% pa our reserves would still last around 14 years.

H. Going Concern

Given the reserves described in §G above, trustees have no hesitation in confirming that Northern Baptist College remains a Going Concern.

Recruitment for September 2022 has been lower than anticipated. Anecdotally, this has impacted all Baptist Colleges nationally. Whilst we believe that this is a short-term effect of the global pandemic, we recognise that this may herald fewer people coming forward for training for accredited ministry. NBC believes that its 'inclusive strategy' which recognises that 'ministry' is broader than simply the Baptist accredited scheme will protect it from any fall in demand for more traditional forms of ministry.

I. Plans for future Periods

This has been the first year of our five-year strategic plan. This builds upon – and celebrates – the previous strategic vision. In the medium term, our focus will be upon delivery of the five objections identified in §D above.

In the aftermath of the global pandemic, these are uncertain times for churches. NBC is well-positioned to address this uncertainty. We believe that our 'hub-model' will enable us to continue to provide high quality ministerial formation whatever the future holds. In the coming year we will continue to engage with partners to ensure that we can do this.

J. Statement of the Trustees Responsibilities.

The Charity trustees (who are also the directors of Northern Baptist College Limited for the

NORTHERN BAPTIST COLLEGE LIMITED

Annual Report of the Trustees for the Year to 31 August 2022

purposes of company law) are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources, including the 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 in the Charities SORP;
- 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 charity will be able to continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and to 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.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Charity governance code

NBC Governors have adopted the Charity Governance Code for small charities. The governors are clear about the charity's aims and monitor and review vision and strategy on a 5-yearly cycle. A new strategic vision has been adopted which will be formally reviewed in 2026. In recent years we have made significant changes to our governing body to ensure that it has the right skills and experience represented on it and provides strategic leadership. The governing body acts according to the Nolan principles of public life. The governing body are aware of key risks and review these regularly. The Governing body are keenly aware of issues of diversity for example this year we introduced a new statement of principles around gender, sexuality and safeguarding. We seek to be open and accountable in our work. As part of this our senior students who are appointed by the student body have an open invitation to Governing Body meetings and provide a report to each meeting. This year in response to students questions we have produced a detailed report on the college finances for students, which practise will be incorporated into the college's reporting cycle.

NORTHERN BAPTIST COLLEGE LIMITED

Annual Report of the Trustees for the Year to 31 August 2022

We are aware that the Charity Commission made changes to the Code in 2020, but did not feel it was opportune to discuss these whilst meeting electronically. A full review of our compliance with the code is underway, but will not report to trustees until 2023.

K. Disclosure of Information to the Auditors

In so far as the trustees are aware at the time of approving our trustees' annual report:

- There is no relevant audit information, being information needed by the auditor in connection with preparing their report, of which the Charity's auditor is unaware; and
- The trustees, having made enquiries of fellow directors and the auditor that they ought to have individually taken, have each taken all steps and he/she is obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.



By order of the trustees
Karen Martindale - Trustee

DATE: 1.12.2022

NORTHERN BAPTIST COLLEGE LIMITED

Independent Auditor's Report to the Members of Northern Baptist College Limited

Opinion

We have audited the financial statements of Northern Baptist College Limited for the year ended 31 August 2022 which comprise the Statement of Financial Activities, Balance Sheet, Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2022 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our

NORTHERN BAPTIST COLLEGE LIMITED

Independent Auditor's Report to the Members of Northern Baptist College Limited

report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of our audit

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption in preparing the trustees report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 9, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to

NORTHERN BAPTIST COLLEGE LIMITED

Independent Auditor's Report to the Members of Northern Baptist College Limited

liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, Charities Act 2011 and employment legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management and completeness of income. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, sample testing from student record documentation, proof in total on conference income based on published fees and delegate list, reviewing rental agreements for rental income and sample testing of investment income from investment reports and loan agreements.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

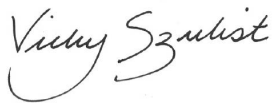
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

NORTHERN BAPTIST COLLEGE LIMITED

Independent Auditor's Report to the Members of Northern Baptist College Limited

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Vicky Szulist

Senior Statutory Auditor

For and on behalf of

Crowe U.K. LLP

Statutory Auditor

The Lexicon

Mount Street

Manchester

M2 5NT

26th January 2023

NORTHERN BAPTIST COLLEGE LIMITED

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 AUGUST 2022

	Notes	Unrestricted funds £	Restricted funds £	Endowed Funds £	Total 2022 £	Total 2021 £
Income:						
Donations and legacies	3	19,158	-	-	19,158	18,956
<i>Income from charitable activities:</i>						
Operation of ministerial training college	4	203,440	-	-	203,440	221,003
Investment income	5	4,161	-	198,219	202,380	188,137
Total income		226,759	-	198,219	424,978	428,096
Expenditure						
<i>Expenditure on charitable activities</i>						
Operation of ministerial training college	6	369,811	-	-	369,811	406,390
Total expenditure		369,811	-	-	369,811	406,390
Net (expenditure)/income before transfers and gains for the year	9	(143,052)	-	198,219	55,167	21,706
Transfers between funds		(23,555)	23,555	-	-	-
Other recognised gains/losses:						
Net gains/(losses) on investments	12	-	-	(307,692)	(307,692)	731,516
Net (expenditure)/income and net movement in funds for the year		(166,607)	23,555	(109,473)	(252,525)	753,222
Reconciliation of funds						
Total funds brought forward		1,170,435	387,796	5,252,377	6,810,608	6,057,386
Total funds carried forward at 31 August 2022		1,003,828	411,351	5,142,904	6,558,083	6,810,608

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

All income and expenditure derive from continuing activities.

NORTHERN BAPTIST COLLEGE LIMITED

BALANCE SHEET

Company No: 573403

AS AT 31 AUGUST 2022

	Note	2022 £	£	2021 £	£
Fixed assets					
Tangible fixed assets	11	412,620		419,483	
Fixed assets investments	12	5,967,686		6,292,377	
Total Fixed Assets		6,380,306		6,711,860	
Current assets					
Debtors	13	61,790		131,933	
Cash at bank and in hand		129,201		55,309	
		190,991		187,242	
Creditors: amounts falling due within one year	14	(13,214)		(27,364)	
Net current assets		177,777		159,878	
Creditors: amounts falling due after more than one year	15		-	(61,130)	
Total net assets		6,558,083		6,810,608	
Funds of the charity					
Unrestricted funds	16	1,003,828		1,170,435	
Endowment funds	17,20	5,142,904		5,252,377	
Restricted funds	17	411,351		387,796	
Total Charity funds		6,558,083		6,810,608	

These financial statements are prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the company.

The notes at pages 19 to 32 form part of these accounts.

The financial statements were approved by the Governing Body on 1.12.2022 and signed on its behalf by:



Karen Martindale

Trustee

NORTHERN BAPTIST COLLEGE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED AT 31 AUGUST 2022

	2022 £	2021 £
Net income for the year	(252,526)	753,222
Investment income	(202,380)	(188,137)
Depreciation	6,863	6,701
Net gains/(losses) on investments	307,691	(731,516)
(Increase)/decrease in debtors	70,144	(70,789)
Increase/(decrease) in creditors	(75,280)	(6,956)
Net cash flow from operating activities	(145,888)	(237,475)
Cash flows from investing activities		
Investment income	202,380	188,137
Purchase of fixed assets	-	(4,258)
Purchase of investments	-	(1,992,565)
Sale of investments	17,000	2,002,244
Net cash flow from investing activities	219,380	193,558
Increase (decrease) in cash and cash equivalents in the year	73,892	(43,917)
Cash and cash equivalents at the beginning of the year	55,309	99,226
Total cash and cash equivalents at the end of the year	129,201	55,309
Cash and cash equivalents at the end of the year consist of:		
Cash at bank and in hand	129,201	55,309

NORTHERN BAPTIST COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting Policies

Northern Baptist College Limited is a private company limited by guarantee, incorporated in England and Wales.

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

1.1 Basis of preparation

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.

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

Northern Baptist College Limited 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 notes.

1.2 Preparation of the accounts on a going concern basis

The Trustees have moved to Total Return Accounting which provides an unallocated investment reserve of just under £731k.

Current forecasts show a small deficit for future years but investment returns are expected to remain strong. Different scenarios have been forecast which shows that the Trustees have a number of years to address this issue.

As such the Trustees consider that the Charity is a going concern for the foreseeable future with no material uncertainties.

1.3 Income recognition

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

Most student course fees are invoiced at the beginning of the academic year and are receivable then.

Unsolicited donations are accounted for when received. For legacies, entitlement is taken at the earliest of:

- the date on which the Charity is aware that probate has been granted;
- the estate has been finalised and notification has been made by the executor(s) to the Charity that a distribution will be made; or
- when a distribution is received from the estate.

Other income is accounted for on a receivable basis.

NORTHERN BAPTIST COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

Interest on funds held on deposit is included upon notification of the interest paid or payable by the deposit taker. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by our Investment manager of the dividend yield of the investment portfolio.

1.4 Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to that category.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Allocation of governance costs

Governance costs are those costs associated with charity governance requirements and which relate to the general running of the organisation.

Staff pensions

The charitable company is an employer participating in the Baptist Pension Scheme ("the BPS").

From January 2012, pension provision for the Co-Principals is being made through the Defined Contribution (DC) Plan within the BPS. In general, members pay 8% of their Pensionable Income and employers pay 6% of members' Pensionable Income into individual pension accounts. In addition, the employer pays a further 4% of Pensionable Income (or 3% if the employer is in the segregated DC section) to cover Death in Service Benefits, administration costs, and an associated insurance policy which provides Income protection for BPS members in the event that they are unable to work due to long-term incapacity. This income protection policy has been insured by the Baptist Union of Great Britain with Aviva. Members of the Basic Section of BPS pay reduced contributions of 5% of Pensionable Income, and their employers also pay a total of 5%.

Benefits in respect of service prior to 1 January 2012 are provided through the Defined Benefit (DB) Plan within the BPS. The main benefits were:

- In the BPS, 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; and

The BPS, previously known as the Baptist Ministers' Pension Fund, started in. The scheme was closed to future accrual of defined benefits on 31 December 2011.

The table below summarises the main results of the most recent actuarial valuations of the Defined Benefit (DB) Plan in the BPS. These valuations were performed by a professionally qualified Actuary using the Projected Unit Method.

BPS DB Plan

Date of valuation	31/12/2019
Date of next valuation (currently under preparation)	31/12/2022

NORTHERN BAPTIST COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

Market value of scheme assets (A)	£298m
Technical provisions (B)	£316m
Deficit [(B) - (A)]	£18m
Funding level [(A)/(B)]	94%

As a result of the valuation, in addition of the contributions to the DC Plan set out above, the following deficiency contributions were agreed:

- For the BPS, the standard rate of deficiency contributions payable remains at previously agreed levels, increasing each year in line with increases in the Minimum Pensionable Income. The deficiency contributions are broadly based on 12% of Pensionable Income/Minimum Pensionable Income, reflecting each employer's contributions in March 2015. Some employers that were involved in the DB Plan for a short period pay lower contributions. The Trustee and the Council agreed a 50%

Staff pensions continued

reduction for all deficiency contributions payable between 1 July 2020 and 31 December 2020. The current Recovery Plan dated 30 September 2020 envisages deficiency contributions continuing until 30 June 2026. From 29 July 2022, the trustees of the Baptist Pension Scheme entered into a new agreement with a third party, whereby deficit contributions payable were reduced to £12 per year.

The key financial assumptions underlying the valuations were as follows:

	BPS	BUSPS
Type of assumption	%pa	%pa
RPI price inflation assumption	3.20	3.45
CPI price inflation assumption	2.70	2.70
Minimum Pensionable Income increases (BPS only)	3.20	n/a
Pensionable Salary increases (BUSPS only)	n/a	3.70
Assumed investment returns		
- pre-retirement	2.95	3.50
- post-retirement	1.70	2.25
Deferred pension increases		
- pre-April 2009	3.20	3.45
- post April 2009	2.50	2.50
Pension increases (BPS main scheme pension and BUSPS pension)		
- pre-April 2006	2.70	3.25
- post April 2006	2.70	2.15

As there are numbers of contributing employers participating in both the BPS and the BUSPS, the charitable company is unable to identify its share of the underlying assets and liabilities of the schemes. Accordingly, the profit and loss charge for the period represents the employer contributions payable.

NORTHERN BAPTIST COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

The employer contribution for all schemes is taken to the Statement of Financial Activities as incurred.

The next actuarial valuation of the DB Plan within the BPS is due as at 31 December 2022.

1.5 Tangible fixed assets and depreciation

The Charity's policy with regard to fixed assets is to capitalise those with a value over £500. Tangible fixed assets are capitalised at their purchase price together with any incidental expenses of acquisition.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and Buildings	1% straight line
Office equipment	25% and 33.33% on cost

1.6 Fixed asset investments

Investments are initially recognised at their transaction value and subsequently measured at their market value as at the balance sheet date using the closing quoted market price. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

1.7 Debtors

Student debtors are recognised at the settlement amount due. Any losses arising from impairment are recognised in expenditure. Prepayments are valued at the amount prepaid.

1.8 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.

1.9 Creditors

Creditors are recognised where the Charity 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 to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any discounts due.

1.10 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.

NORTHERN BAPTIST COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

1.11 Taxation

The company has charitable status and is thus exempt from taxation of its income and gains to the extent that they are applied to its charitable objects.

1.12 Fund accounting

Unrestricted funds are donations and other incoming resources which are available for use at the discretion of the trustees in furtherance of the objects of the charity without further specified purpose and which have not been designated for other purposes.

Restricted funds are subject to restrictions on their expenditure imposed by the donor. Expenditure which meets this criterion is charged to the fund together with a fair allocation of overhead costs.

Judgements in applying accounting policies and key sources of estimation uncertainty

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Impairment of debtors

The charity makes an estimate of the recoverable amount of trade and other debtors. When assessing the impairment of trade and other debtors, the management team considers factors including the financial strength and ageing profile of the debtors and historical experience. The net carrying amount of the debtors is set out at Note 13.

2 Legal status of the Charity

The Charity is a company limited by guarantee and has no share capital. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the Charity.

3 Income from donations and legacies

	2022	2021
	£	£
Gifts	19,158	18,956
	19,158	18,956

NORTHERN BAPTIST COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

4	Income from charitable activities	2022	2021
		£	£
	Student fees	162,341	160,749
	Conference Income	41,099	60,254
		203,440	221,003
5	Investment income	2022	2021
		£	£
	Listed investments	198,219	184,002
	Loan Interest	4,161	4,337
	Bank and other interest	-	2
		202,380	188,341

Of the £202,380 received in 2022 (2021: £188,341), £198,218 was endowed funds (2021: £184,004) and £4,161 was unrestricted funds (2021: £4,337).

NORTHERN BAPTIST COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

6 Analysis of expenditure on charitable activities

	2022 £	2021 £
Other costs relating to charitable activities comprise:		
Staff costs (see note 10)	133,501	190,107
Tutorial fees and expenses	39,609	51,583
Academic fees	24,251	31,779
College bloc charge – Luther King House Educational Trust	34,000	34,000
Conference expenses	38,310	18,554
Travelling expenses	5,281	2,870
Catering costs	1,643	-
Rates and ground rents	4,468	4,463
Heat and light	1,997	2,135
Insurance	3,359	3,076
Printing, postage, stationery and advertising	830	870
Telephone	1,125	560
Books and publications	921	1,770
Legal and professional fees	1,500	-
Bookkeeping and payroll fees	4,440	3,329
Repairs and renewals	2,650	10,322
Provision for unpaid student fees	2,292	-
Student bursaries	33,361	34,485
Sundry expenses	12,532	6,845
Bank charges	255	266
Depreciation of tangible fixed assets	6,861	6,701
	421,572	403,714

7 Governance costs

	2022 £	2021 £
Governance costs comprise:		
Auditors' fees	7,420	6,330
	7,420	6,330

8 Support costs

	2022 £	2021 £
Support costs comprise:		
Portfolio Management fees	9,205	5,182
	9,205	5,182

9 Net income/(expenditure) for the year

	2022 £	2021 £
This is stated after charging:		
Depreciation of tangible fixed assets	6,861	6,701
Auditors' remuneration	7,420	6,330

NORTHERN BAPTIST COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

10 Analysis of staff costs and trustee expenses

The key management personnel of the College are Rev Dr Clara Rushbrook and Rev Dr Glen Marshall who acted as College Co-Principals during the period and their joint remuneration for the year to 31 August 2022 was £117,647(2021: £95,271). Although trustees of the college the Co-Principals are remunerated as employees.

None of the trustees or persons connected with them have received or obtained any remuneration or other financial benefits for the year either directly or indirectly from the funds of Northern Baptist College Limited. During the year, travel and phone expenses were reimbursed to 8 trustees (2021: 1). The aggregate amount of expenses paid was £2,222 (2021: £14).

Staff costs

	2022 £	2021 £
Salaries	168,396	155,507
Social security costs	11,749	11,740
Pension contributions	(46,644)	22,860
	133,501	190,107

The credit to pension contributions is due to the release of the pension deficit creditor of £71,656.

The average number of employees during the year, calculated on the basis of full-time equivalents, was as follows:

	Number	Number
Ministerial training	4	3
Support staff	2	2
	6	5

No members of staff are paid over £60,000 (2021: nil).

NORTHERN BAPTIST COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

11. Tangible fixed assets

	Freehold Property £	Office Equipment £	Total £
<i>Cost</i>			
At 1 September 2021	442,009	18,443	460,452
At 31 August 2022	442,009	18,443	460,452
<i>Depreciation</i>			
At 1 September 2021	26,518	14,451	40,969
Charge for the year	4,420	2,443	6,863
At 31 August 2022	30,938	16,894	47,832
<i>Net book value</i>			
At 31 August 2022	411,071	1,549	412,620
At 31 August 2021	415,491	3,992	419,483

12. Fixed asset investments

	2022 £	2021 £
Investment portfolio – Cazenove Capital Management	4,927,685	5,252,377
Stake in Luther King House Educational Trust	1,040,000	1,040,000
	5,967,685	6,292,377
<i>Investment portfolio</i>		
At 1 September 2021	5,252,377	4,530,540
Additions	-	1,992,565
Disposal proceeds	(17,000)	(2,002,244)
	5,235,377	4,520,861
Revaluation as at 31 August 2022	(307,692)	731,516
	4,927,685	5,252,377
The investment portfolio comprises:		
UK listed investments	228,631	973,938
Overseas listed investments	4,699,054	4,278,439
	4,927,685	5,252,377

NORTHERN BAPTIST COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

Stake In Luther King House Educational Trust

The Charity was a founder member of Luther King House Educational Trust (LKHET) in September 2000. As part of the financial basis for Luther King House Educational Trust, the Charity transferred cash of £50,000 and the land and buildings at Luther King House to a charity called Luther King House Property Trust under a Charity Commission Scheme dated 27 June 2002. At the date of transfer, the land and buildings were valued at £700,000.

Under the terms of the Luther King House Property Trust, as a founder member of LKHET, the Charity has rights in relation to the disposal of the assets of the Property Trust in the event of its dissolution. The scheme provides that, under a revision of the scheme, 62.5% of the value of the land and buildings will be distributed to the Charity. The most recent professional valuation of the property in January 2015 was £3 million.

Luther King House Property trust is now part of Luther King House.

13 Debtors

	2022 £	2021 £
Student debtors	26,982	42,670
Prepayments and accrued income	9,808	64,263
Amounts due from related party	25,000	25,000
Total	61,790	131,933

14 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	2,540	1,186
Accruals and deferred income	10,674	15,652
Pension liability	-	10,526
	13,214	27,364

15 Creditors: amounts falling due after one year

	2022 £	2021 £
Pension liability	-	61,130
	-	61,130

Until a new agreement was put in place on 29 July 2022 as detailed in the accounting policies, the charity was required to make pension deficit contributions to the Baptist Pension Scheme to the value of £10,526 per annum until December 2028. Including within creditors due within one year and after one year is the net present value of these payments using a discount rate equivalent to a high-quality corporate bond (2021: 1.85%). The total pension liability as at 31 August 2022 was £nil (2021: £71,656).

NORTHERN BAPTIST COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

16 Unrestricted Funds

	Balance at 1 September 2021 £	Incoming Resources £	Expenditure incurred £	Gains/ (losses) and transfers £	Balance at 31 August 2022 £
General Funds	1,167,481	226,759	(369,811)	(23,555)	1,000,874
College Library Fund	2,954	-	-	-	2,954
	1,170,435	226,759	(369,811)	(23,555)	1,003,828

	Balance at 1 September 2020 £	Incoming Resources £	Expenditure incurred £	Gains/ (losses) and transfers £	Balance at 31 August 2021 £
General Funds	286,405	244,296	(406,390)	1,043,170	1,167,481
College Library Fund	2,954	-	-	-	2,954
	289,359	244,296	(406,390)	1,043,170	1,170,435

17 Restricted & Endowed Funds

	Balance at 1 September 2021 £	Income/ (expenditure) £	Gains/ (losses) and transfers £	Balance at 31 August 2022 £
Property Trust	293,895	-	-	293,895
Sir Halley Stewart Trust	-	-	23,555	23,555
Scholarship and Prize Fund	93,901	-	-	93,901
	387,796	-	23,555	411,351

Bennett/Reddihough Endowed Funds	5,252,377	198,219	(307,692)	5,142,904
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Investment income received on restricted funds is transferred to the unrestricted funds account as there is no restriction placed on this income.

The Property Trust and Scholarship and Prize Fund are historic restricted funds.

	Balance at 1 September 2020 £	Income/ (expenditure) £	Gains/ (losses) and transfers £	Balance at 31 August 2021 £
Bennett/Reddihough Capital Funds	5,380,233	-	(5,380,233)	-
Property Trust	293,895	-	-	293,895
Scholarship and Prize Fund	93,899	2	-	93,901
	5,768,027	2	(5,380,233)	387,796

Bennett/Reddihough Endowed Funds	-	183,798	5,068,579	5,252,377
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NORTHERN BAPTIST COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

Funds referred to in these financial statements and previous financial statements as the Bennett/Reddihough Capital Funds are in fact endowed funds.

During the year, the Board agreed to undertake total return accounting. The original Trust for investments of the Bennett & Reddihough funds is estimated at £3,000,426 excluding Craven Manor Farm at Farnhill. In 2012, the Charity Commission permitted a transfer of £1m of the endowed funds to unrestricted funds for charitable purposes. The remaining Trust for investment of £2,000,426 when compared to the asset value of £5.25m leaves an unapplied investment return of £3.25m to be utilised by the Trustees. The Trustees have developed a total return policy which will enable them to preserve the value of the bequest in real terms.

At the beginning of 2020/21 there was a transfer of £1,043,170 from endowed funds to unrestricted funds as part of the transition to total return accounting, reflecting the funds not invested.

18 Analysis of net assets between funds

Fund balances at 31 August 2022 are represented by:	Unrestricted Funds	Restricted Funds	Endowed Funds	Total
	£	£	£	£
Tangible assets	412,620	-	-	412,620
Fixed assets investments	1,040,000	-	4,927,685	5,967,685
Debtors	61,791	-	-	61,791
Cash at bank and in hand	(497,369)	411,351	215,219	129,201
Creditors: amounts falling due within one year	(13,214)	-	-	(13,214)
Creditors: amounts falling due after one year	-	-	-	-
Total net assets	1,003,828	411,351	5,142,904	6,558,083
Fund balances at 31 August 2021 are represented by:	Unrestricted Funds	Restricted Funds	Endowed Funds	Total
	£	£	£	£
Tangible assets	419,483	-	-	419,483
Fixed assets investments	1,040,000	-	5,252,377	6,292,377
Debtors	131,933	-	-	131,933
Cash at bank and in hand	(332,487)	387,796	-	55,309
Creditors: amounts falling due within one year	(27,364)	-	-	(27,364)
Creditors: amounts falling due after one year	(61,130)	-	-	(61,130)
Total net assets	1,170,435	387,796	5,252,377	6,810,608

NORTHERN BAPTIST COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

19 Related party transactions

Pension payments in respect of trustee pension contributions for two Trustees were £9,669 (2021: Two & £8,714).

Included in investments is a loan of £60,000 (2021: £60,000) and included in investments is a loan of £230,000 (2021: £230,000), both to Luther King House Educational Trust (LKHET). LKHET is related by virtue of Northern Baptist College Limited being a member college of LKHET. These loans are repayable when LKHET has funds available or on the dissolution of LKHET. Interest is payable at 1% below base rate on the £60,000 loan and at the daily rate set by the Charities Aid Foundation for its COIF units, collared at 4%, for the £230,000 loan. Also there was an additional loan made to LKHET of £25,000 in 2020/21, this loan is repayable when LKHET has funds available or on the dissolution of LKHET. Interest payable is capped at 1% above base rate. The total interest received during the year was £4,161 (2021: £4,337).

During the year, LKHET made sales to the Charity of £57,672 (2021: £65,779) and purchases of £23,116 from the Charity (2021: £nil). At the year end the Charity held £nil (2021: £34,000) in prepayments due to a payment made to LKHET.

During the year, £15,931 (2021: £568) of sales were made by the Charity to Luther King Conference and Accommodation Services Limited (LKHCBAS), a trading subsidiary of LKHET. At the year end the Charity was owed £nil (2021: £143).

A Trustee has received payments of £3,033 (2021: £3,030) from the College in relation to works carried out on behalf of the Creating Sanctuary project, which is run and managed by One Body, One Faith, who as an unincorporated charity are unable to receive grant funding. The College, therefore received funding, on that charity's behalf, from which the Trustee has been paid. No amounts were payable to the Trustee as at the reporting date (2021: £nil).

NORTHERN BAPTIST COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

20 Endowment Fund Investments

	Endowment £	Inflation £	Unapplied Total Return £	Total £
At 1 September 2021				
Trust for investment/permanent endowment	2,000,426	-	-	2,000,426
Effect of inflation	-	2,165,394	(2,165,394)	-
Unapplied total return	-	-	3,251,951	3,573,284
Transfer to unrestricted	-	-	-	-
Total	2,000,426	2,165,394	1,086,557	5,252,377
Movements in the reporting period:				
Investment return: dividends and interest	-	-	198,219	198,219
Investment return: realised and unrealised gains and (losses)	-	-	(307,692)	(307,692)
Effect of inflation	-	245,986	(245,986)	-
Less: Investment management costs	-	-	-	-
Total	-	245,986	(355,459)	(109,473)
Unapplied total return allocated to income in the reporting period	-	-	-	-
Net movements in reporting period	-	245,986	(355,459)	(109,473)
At 31 August 2022:				
Trust for investment/permanent endowment	2,000,426	-	-	2,000,426
Effect of inflation	-	2,411,380	(2,411,380)	-
Unapplied total return	-	-	3,142,478	3,142,478
Total	2,000,426	2,411,380	731,098	5,142,904

The initial effect of inflation has been calculated on transition to total return accounting. The Trustees have agreed to protecting trust for investment against the impact of inflation over a five year rolling basis.

NORTHERN BAPTIST COLLEGE LIMITED

England & Wales - Charity number 1108216

Accounts



NORTHERN BAPTIST COLLEGE LTD
(a company limited by guarantee)

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

Charity Registration Number: 1108216
Company Registration Number: 573403

NORTHERN BAPTIST COLLEGE

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

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NORTHERN BAPTIST COLLEGE

Annual Report of the Trustees for the Year to 31 August 2021

The trustees are pleased to present their annual directors' report together with the audited financial statements of the Charity for the year ended 31st August 2021, which are also 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 Memorandum and 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 application in the UK and Republic of Ireland (FRS 102) (effective 2019).

A. Reference and Administrative details of the charity, its trustees and advisors

Directors and trustees

The directors of the Charity are its trustees for the purpose of the charity law and are referred to as the trustees throughout this report. The affairs of the Charity are administered by the board of trustees, known as the Governing Body. The new Articles of Association provide for trustees to be appointed by election by the Governing Body. Current trustees are shown in bold type:

Karen Martindale		Chair of Governors
Clara Rushbrook		College Co-Principal
Glen Marshall		College Co-Principal
Robert Poole		Treasurer
Wayne Clarke		
Luke Dowding	(Appointed 19 March 2021)	
Richard Lewis		
Jacquie Osmund-Smith		
Gary Serra di Migni		
Christopher Upton		
Tim Presswood	(Resigned 12 October 2020 but on "Leave of Absence" from 6 January 2020)	

Registered office

Luther King House, Brighton Grove, Rusholme, Manchester, M14 5JP

Auditors

Crowe U.K. LLP, 3rd floor, The Lexicon, Mount Street, Manchester, M2 5NT

Bankers

NatWest Bank, 24 Deansgate, Bolton, BL1 1BN

Unity Trust Bank, PO Box 7193, Planetary Road, Willenhall WV1 9DG

Investment managers

Cazenove Capital Management, 12 Moorgate, London, EC2R 6DA

NORTHERN BAPTIST COLLEGE

Annual Report of the Trustees for the Year to 31 August 2021

B. Structure, Governance and Management

Governing Document

Northern Baptist College was formed in 1963 when the Baptist ministerial training colleges at Rawdon and Manchester amalgamated. A new building was erected on the Manchester site and the united college became Northern Baptist College. In the 1970's new schemes of training for ministry were inaugurated in partnership with colleges of other denominations in the city. After the creation of the Northern Federation for Training in Ministry, the main college building was renamed Luther King House. It is now owned by the Luther King House Educational Trust and managed ecumenically. Northern Baptist College plays a full role within the Trust Partnership.

The Charity is now a charitable company limited by guarantee, registered in England and Wales (No. 573403), and is registered as a charity (No. 1108216). The Company was established under a Memorandum of Association, which sets out the objects and powers of the charitable company and was governed under its Articles of Association.

The Charity was created to continue the work of its predecessor charity, Northern Baptist College (charity number 526653). Under a Charity Commission Scheme of 1 September 2009, two new charities were established to carry on and further develop the work of the predecessor charity – the Northern Baptist College Property Trust (charity number 1108216-1) and the Northern Baptist College Scholarship and Prize Fund (charity number 1108216-2). The new charities were established to take on the permanent endowment of the predecessor charity and the company became trustee of the Property Trust and the Scholarship Fund. Under a uniting direction, the Property Trust and the Scholarship Fund are to be treated as forming part of the company for the purposes of Part 4 (registration) and Part 8 (accounting) of the Charities Act 2011

The affairs of the Charity are governed by the board of trustees who meet as the Governing Body and who are also directors of the company. The charity operates under revised Articles of Association which were adopted by the Governing Body in November 2017. The governing body now consists of up to twelve trustees (with the possible addition of up to three non-voting co-optees).

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and, in the event of the company being wound up, members are required to contribute an amount not exceeding £10.

Recruitment and Appointment of trustees

Trustees are appointed by the existing Governing Body on the basis of their skills and experience with the exception of the Co-Principals who are appointed ex-officio. All other trustees may serve for a maximum of two, three-year terms after which they must retire for at least one year.

Trustee induction and training

The induction of a new trustee is aimed at ensuring that they understand the role of the Charity and the way in which their knowledge is a key part of ensuring that our responsibilities are comprehensively and fairly discharged within the law and within the spirit of the Christian family of which we are a part.

Organisational Structure

The Charity is administered by the Governing Body, which aims to hold three board meetings each year.

The day-to-day management of the Charity is overseen by the Senior Management Team, led by the College Co-Principals. They will usually meet weekly during term time. Regular meetings are also held by the Co-Principals with the Chair of Governors.

Risk Management

Trustees have a duty to identify the key strategic, business and operational risks of the Charity and to review these at least once per year. The trustees have established systems and controls to mitigate against the major risks which have been identified. A Risk Register has been established and is monitored at each governing body meeting. Any activity that has a high residual risk is monitored. A named staff member is appointed to oversee action to bring this down to acceptable levels when possible and a named trustee has board level oversight of this process. During the year, a substantive appointment was made to the post of College Manager (which had previously been an interim role). The College Manager has day-to-day responsibility for maintaining the risk register.

NORTHERN BAPTIST COLLEGE

Annual Report of the Trustees for the Year to 31 August 2021

As last year, it is judged that the greatest risks to the organisation emerge from the Covid-19 crisis.

The two highest risks continue to be associated with the partnership with Luther King Centre. This is the new 'branding' for Luther King House which has been introduced during the year to clarify the distinction between the educational trust and the hotel and conference centre.

The highest risk of these remains the financial risk to LKC which has arisen from the UK-wide lockdowns. The hotel and conference business has been closed for much of the year, and has seen a significant reduction in bookings for the rest of the year.

This has been mitigated by the two major partners in the LKC, Northern Baptist College and Northern College, making further loans to the partnership. As reported last year, trustees had expressed a willingness to support LKC to the extent of £75,000. In the event, only £25,000 has been required, although a number of other measures – such, for example, as the early payment of student fees and block charge, have been approved.

Associated to this risk is the loss of essential services provided by the partnership, particularly with regard to the academic administration of students' courses. As well as putting contingency plans in place to ensure that students' formation can continue, NBC has been proactive in managing these risks. We remain convinced that the partnership with Luther King Centre remains a key part of our 'hub-based' strategy for delivering our charitable aims. Nevertheless, we are increasingly convinced that a long-term financial strategy to place the partnership on a more secure financial footing is necessary. We continue to be active partners in the development of this.

Two other risks remain at levels which the governors are monitoring closely. The first of these arises from competition from other providers. It remains to be seen what the long-term impact of Covid-19 will be. However, initial impressions are that there are fewer students coming forward for formation. If it is to continue to attract students, it is essential that NBC cements its unique identity in what is an increasingly crowded market. Governors have now completed their quinquennial strategic review which had been delayed by the pandemic. The strategy was formally ratified at the governors meeting in July 2021, and we look forward to implementing it in the coming months and years.

The final substantive risk identified last year is the level of student debt. It is pleasing to report significant progress in this regard. NBC is now much more proactive in dealing with student finances and the majority of student debt is now the result of genuine hardship. We will always seek to support students in difficulty. A majority of our students are not eligible for Student Finance so are responsible for the payment of their own fees. It has been recognised nationally that this is an issue facing the entire Baptist denomination and a review of student support has been commissioned nationally. NBC continues to be an active participant in that review although, inevitably, this has been impacted by Covid-19.

Fundraising

The charity did not undertake any fundraising activities under section S162A of the Charities Act 2011.

C. Objectives and Activities

Objects of the Charity

The Articles of Association set out the primary object of the Company:

To advance the Christian Religion and advance education by providing theological education, primarily for Christian people, with a view to ministry and mission in and through Baptist Churches in Great Britain and worldwide, and the Doctrines and Principles of Religion maintained by Baptist Churches as set forth in the "Declaration of Principle" adopted from time to time in the Constitution of the Baptist Union of Great Britain, shall be taught.

This is also the object of the Northern Baptist College Property Trust under the Charity Commission Scheme of 1 September 2009, the object of the Northern Baptist College Scholarship and Prize Fund was set out as follows:

To further the education of pupils attending the Northern Baptist College by the award of scholarships or prizes.

Our hope and our belief continue to be that we are able to fulfil our desire for NBC to be a community where, to quote our vision and values, those to whom we minister learn to be:

- Mission-focused: engaging with the world, not hiding in the church.

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Annual Report of the Trustees for the Year to 31 August 2021

- Relationally committee: collaborating with other instinctively, not going it alone.
- Theologically savvy: rooted in the biblical story, not just doing whatever seems to 'work'.
- Servant hearted: knowing that leadership is about loving people, not building empires.
- Community oriented: seeking justice for all, not settling for anything less.
- Lifelong learners: embracing growth and development, not stuck in their ways.

Public benefit statement

Each year, the trustees review the objectives and activities of the Charity to ensure that they continue to reflect the Charity's aims and to provide public benefit. The trustees consider that they have complied with their duties under the Charities Act 2006 to have due regard to public benefit guidance published by the Charity Commission. Faith gives meaning to people's lives and contributes to their well-being. It offers a vision for peace and harmony and provides a moral and ethical foundation to support people in serving the community at every level.

NBC contributes to the developing and delivering the vision and strategy of Baptists Together (Baptist Union of Great Britain) both nationally and regionally, through the various Baptist associations and other Baptist Colleges. We support the work of Luther King Centre through its partnership in the Centre for Theology and Justice and through its Open Learning Programme of lectures and workshops which are open to anyone. Individual tutors contribute to various academic and denominational publications and to symposiums and conferences in the areas of theology, mission and Biblical studies.

Grant Making Policy

NBC administers the Baptist Union of Great Britain Bursary scheme. These bursaries are means-tested and are targeted towards students who would find it difficult to pay for their training and formation. Bursaries given are specifically to help Ministers in Training with the costs of their academic and formation fees but may also be given to provide for example, support for additional learning needs or assessments and counselling. Students are supported and encouraged to apply for other grants and awards as appropriate.

This year, governors agreed not to set aside a specific hardship fund from NBC funds as, for the last several years, this has been 'swallowed up' by the levels of student debt. This policy is being reviewed as part of the budget-planning process.

D. Achievements and performance

As previously reported, the quinquennial review of NBC's strategic priorities which was due at the end of 2019 was significantly impacted by the Covid-19 pandemic. This has now been completed and a new strategy document was approved in July 2021. This will be implemented in the five years from September 2021 to August 2026. However, we report here on progress against the previous strategic priorities

1. To provide high quality ministerial formation

In the year to August 2021, we had twenty-five students undertaking ministerial formation (MITs), ten at our Luther King House hub, five at St. Hild and seven at Cranmer Hall and for the first time, three students came through our partnership with the Light College and Collective.

Of these students two were on an Undergraduate Diploma programmes, nine were on BA, eleven on MA, with others already having the required academic qualifications and/or auditing courses.

Of our eight leaving students, four students graduated with a BA, three with MAs and one student with a post-graduate certificate.

As last year, the Covid-19 emergency has severely impacted the Baptist Settlement process. Nevertheless, it is pleasing to report that none of our leaving students are still seeking settlement.

Clearly, college life has been severely impacted by Covid-19 at all levels. Much teaching has been delivered online and Ministers in Training have found themselves leading churches in lockdown. We have continued to provide pastoral support as well as enabling our students to reflect theologically upon this remarkable context.

2. To re-shape ministerial formation in response to changing needs

From September 2020, we have moved to a pattern of delivering the Baptist Leadership Programme via three residential weekends and a longer student and staff retreat. This, of course, has been caught up in the provisions for the pandemic. The first two weekends were delivered online, for which student feedback was broadly appreciative. Nevertheless, once students were able to meet in person it was clear that they had missed the

NORTHERN BAPTIST COLLEGE

Annual Report of the Trustees for the Year to 31 August 2021

community aspects of their formation.

It is, therefore, intended to return to a pattern of residential weekends, although, of course, online provision could be used should it prove necessary.

Alongside this we have continued to develop the role of Associate Tutors (drawn from our 5 partner associations) so that we can draw on the experience of local ministers/practitioners from the associations in a variety of church life from traditional ministry to chaplaincies and pioneering. This year we have drawn upon 8 associate tutors working across the five northern and midland associations. We are very grateful for the contribution made by all our Associate Tutors who gift their skills and time to us in a voluntary capacity. The majority of our tutorial provision has been delivered online and appears likely that this is one area of college life which will continue to be largely provided via one-to-one video calls. Both tutors and students have appreciated the convenience and the reduction in travel.

This year saw the first full year of the partnership with the non-geographic hub of the Light College and Collective. Three students began their formation through this route and, although outside the remit of this report it is good to report that a further two students have joined us via the LCC from September 2021.

3. To equip local church leaders and support continuing leadership development

This year we have had thirty-two Newly Accredited Ministers (NAMS) doing their learning contracts and theological reflection with us across two residential conferences on the themes of Governance and Leadership. Both the conferences held within the year were held online although it is pleasing to report that the conference in September 2021 has been able to take place in person.

Although we only used eight Associate Tutors this year, we now have a 'pool' of nineteen. Sadly, because of the Covid-19 situation, the planned training day was unable to take place this year, but all Associate Tutors with tutees were offered online reviews.

The Latchford Centre run in partnership with the NWBA has continued to run this year and one or two students have transitioned from this to become MITs with us.

Edifi, our training programme for local leaders has run two events to help local leaders respond to the lockdown. A review of this work is currently underway as part of the broader strategic review.

4. Encourage a more diverse range of leaders

Our hub model continues to function well with recruitment holding up overall. As reported above, we have opened a fourth hub with the Light College & Collective. Whilst it is too early to judge with certainty, we anticipate that students coming to NBC from this route will further expand the rich tapestry of our community. Four out of five Light College students are women.

Sixteen of our currently twenty-five Ministers in Training are women. We also have one new student from the Deaf community. In addition, two students are specifically training in chaplaincy placements.

We are particularly pleased to have supported the development of Creating Sanctuary, an online safeguarding resource for churches as they seek to create safe spaces for LGBTQI+ people.

We remain conscious that the NBC community does not reflect the ethnic make-up of either the country or the denomination we serve. Only two of our students and one of our governors are from a BAME background.

The new vision and values strategy, which will be reported next year, specifically seeks to address these imbalances as well as positioning NBC as a truly inclusive Christian community.

5. Contribute to theological reflection on mission and ministry:

This is done through the work of our staff team which at year end, 2021 consists of:

Revd Dr Clara Rushbrook (Co-Principal and Tutor in Church History and Theology)
Revd Glen Marshall (Co-Principal and Tutor in Missiology and Homiletics)
Revd Dr Jonathan Tallon (Tutor in Biblical studies)
Revd Dr Sally Nelson (PT Hub Tutor St Hild)
Revd Linda Donaldson (PT Hub Tutor Cranmer Hall)
Revd Dr Robert Beamish (PT Hub Tutor The Light College & Collective)
Revd Tim Presswood (PT College Manager)

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Annual Report of the Trustees for the Year to 31 August 2021

Ms Caroline Bennett (PT Administrator)
Miss Louise McMahon (PT Administrator)

The Admin Team have managed to take much of the administrative burden from the Co-principals allowing them to focus on the challenges of strategic leadership and teaching.

Glen Marshall has continued as BA Programme Leader at LKH and as the Baptist Colleges representative on the Baptist Union Mission Forum. He continues to speak and preach regularly at churches and conferences including The College of Preachers North West Preaching Conference. He maintains his involvement with the Chinese Christian Churches in Manchester and further afield. Glen acts as a peer reviewer for The Journal of Baptist Theology in the areas of Homiletics and Missiology.

Clara Rushbrook, in addition to her wider denominational responsibility, has continued to focus this year on safeguarding for LGBT people and the work on Creating Sanctuary. She continues her work for the Centre for Theology and Justice and in coordinating the LKH MHA Research Symposium on Ageing and supervises a number of PhD students working in this area. Clara continues her work developing alternative forms of Christian community through her involvement with Forest Church in response to the ecological crisis.

Jonathan Tallon continues to devote time and energy to his ministry of helping churches to work well with the Bible as they think through and discuss issues of human sexuality. Jonathan's web site and YouTube channel are growing in popularity; he has recently been invited to co-author a book on the issue of human sexuality. Jonathan's work as Research Programme Leader at LKH continues although he has now concluded his role as External Examiner for the Light College & Collective. He is still in membership of a team who are translating the New Testament into British Sign Language.

Sally Nelson at St Hild has continued to serve us very well as Hub Tutor and continues her work as editor of the Baptist Ministers' Journal, organiser of the Northern Baptist Theological Consultation and Secretary to the Whitley Scholarship committee. Sally continues to offer her Myers Briggs personality profiling to all students and staff as part of the Baptist Leadership Programme.

Linda Donaldson, our Hub Tutor at Cranmer Hall, has been a great addition to staff team. Her work supporting, encouraging and tutoring our North Eastern cohort of students is invaluable. Alongside her work as Hub Tutor, Linda continues her work as minister of Portrack Baptist Church in Stockton.

Over the last year Rob Beamish has drawn upon both his previous PHD work and his recent research into preaching in lockdown to contribute conference papers at the University of Winchester and also the 'Academy of Homiletics'. In terms of publications, an article reflecting on Baptist preaching in lockdown was published in the International Journal of the 'British and Irish Association of Practical Theology', and he is in the process of completing the publication of his PHD thesis on preaching in times of crisis with Wipf & Stock in North America. Alongside this Rob has given keynote lectures on preaching for ministerial students at Cardiff Baptist College, alongside teaching on their Pathways course, and also at Bristol Baptist College on engaging theologically with the digital world. He was also invited to lead an act of worship at this year's BIAPT conference. Recent ministry reflection has been on the practice of Baptist ministry and Autism which has seen an article published in the Baptist Ministers Journal. Rob has also seen his involvement with the BBC Radio Wales Religion department expand to include regular contributes to their 'Wednesday word' segment, as well as continuing to contribute Sunday acts of worship.

Our extended team of Associate Tutors continues to serve us well, providing tutorial support to students, teaching on the Baptist Leadership Programme. As mentioned above, the planned training day had to be cancelled, but we will look to pick this up again in the coming year. We remain enormously grateful to this dedicated group of friends of the college

6. Develop a sustainable financial model for the future by:

- a) exploring other possible partnerships
- b) reviewing the kind of physical home-base that we need
- c) finding new income streams
- d) considering fundraising
- e) continuing to think the unthinkable

One of the ways we set out to develop a more sustainable model was to increase student numbers through possible partnerships. We now have formal partnerships with St. Hild in Sheffield, Cranmer Hall in Durham and the Light College & Collective based in Chester, creating what we call our Hub Model. Overall Ministers in training numbers are currently at 25 compared to 17 in 2013 – 14.

Eight new students joined us this year which is broadly in line with expectations. It remains to be seen what the

NORTHERN BAPTIST COLLEGE

Annual Report of the Trustees for the Year to 31 August 2021

impact of the pandemic will be on medium to long term student numbers.

Covid-19 has significantly impacted the way in which we work. The former principal's house which serves as our office base has been largely mothballed during the year with staff largely working from home. Sadly, the business to whom we let one of the upstairs offices has been forced to cease trading. During the coming year we will further review our office provision.

In addition, over the last few years we have reviewed academic and administrative staffing levels reducing the former and increasing our admin support. It has now been agreed that the previously 'interim' position of College Manager needs to be made a permanent part of our staffing structure and we are delighted that Tim Presswood has been able to continue in this role.

Covid-19 has impacted our investment portfolio. We were intending to conduct a full review of our management arrangements but were locked down before that was completed. It did not seem timely to change providers during the pandemic. Instead, we have moved to a total return product with the same provider which will strengthen our ethical approach to investments whilst reducing costs. It has the added advantage of greater flexibility between growth and income. At the same time, as outlined elsewhere in this report, we have moved to a Total Return approach in managing our endowments.

None of this should mask the fact that the global pandemic has significantly impacted our investments in the short to medium term. NBC has reserves of over £6m, and we are extremely confident in our ability to weather this storm. However, by using our reserves in the short term, we impact our ability to generate income in the medium to long term.

Luther King Centre for Theology and Ministry

During the year, Luther King House has rebranded as the Luther King Centre, clarifying the distinction between the *building* which houses a hotel and conference centre, and the *trust* which focuses upon theology and ministry.

We continue to value enormously our place at the heart of the unique venture that is LKC. The partnership continues to develop not least as we refine and improve our various academic programmes and reach out to the wider church via our Open Learning Programme.

Following the decision by the University of Manchester to wind down its validation from of partner colleges, Luther King House has moved its validation for the BA and MA programmes to the University of Durham's Common Awards Programme and the first students have now embarked upon this course. Both academic and administrative staff have put in enormous levels of effort into making this change, particularly working with staff on furlough and with only limited access to office space. Nevertheless, it is testimony to their hard work that this process has, as far as students are concerned, been largely seamless. Common Awards already validates a number of theological colleges including Bristol Baptist College and our partner colleges, St. Hild and Cranmer Hall and we look forward to developing this relationship in years to come.

Partnerships

Our partnerships with Cranmer Hall and St Hild continue to be an asset to NBC, they help us to extend the range, flexibility and availability of Baptist ministerial formation across the North of England, whilst the partnership with the Light College & Collective brings a welcome focus upon pioneering mission and evangelism.

We continue to work in partnership with both Urban Expression and with Rural Ministries in terms of placements for a number of students although these partnerships have been somewhat less active than in previous years due to the impact of the pandemic.

Associations and Churches and the Wider Church

Through our students we are connected with sending and placement churches and other organisations such as chaplaincies and pioneering contexts. Each student has a support group, some have a supervisory minister, and all have supporting friends and families. We recognise and give thanks for the enormous value of these partnerships and connections.

In our principal objectives of training and forming students for Christian ministry we are, of course, serving the wider church. Those leaving the college go on to a variety of ministries, chaplaincies and pioneering roles within the UK in many different contexts. Although these are principally within the Baptist Union of Great Britain, as part of the strategic review, governors recognised that the current Baptist Ministerial Recognition Rules mean that some of the students with whom we work may not be allowed to serve as accredited Baptist ministers. We are committed to enabling their ministries within the broader church context, as well as supporting the moves for

NORTHERN BAPTIST COLLEGE

Annual Report of the Trustees for the Year to 31 August 2021

reform within the denomination.

The college serves in other ways too such as by staff serving on The BU Core Leadership Team, BU Council, Mission Forum, The Whitley Committee and input on specific issues. Alongside this are contributions to the editing or writing of articles for Christian publications, speaking at conferences, seminars and workshops as well as preaching commitments although these have been somewhat curtailed due to Covid-19.

E. Financial Review

Pensions

We are committed to enabling all staff to save for their retirement. Directly employed staff are, unless otherwise requested, automatically enrolled in the Baptist Pension Scheme, details of which can be found in note 1.4 of the accounts. An equivalent sum is included in secondment agreements for seconded staff to enable them to continue with their existing pension arrangements.

Pay Policy for Senior Staff

Staff pay is agreed by the Governing Body. Remuneration for senior staff is based on role, experience and performance. Increments are based on a percentage of the Baptist Union of Great Britain's standard stipend and follow the pattern set by BUGB.

F. Reserves policy

Total funds stood at £6,810,608 (2020: £6,057,386), of which £1,430,966 (2020: £5,768,027) were restricted and £5,252,377 were endowed. Within unrestricted funds were £1,459,483 (2020: £1,461,926) of assets held within tangible fixed assets and fixed asset investments. This left free reserves at a deficit of £1,332,218 (2020: deficit of £1,175,521). This deteriorating situation in respect of free reserves was the catalyst for the Governors to consider the treatment of the endowment funds.

At their June 2020 meeting, Governors agreed to move to a total return basis in accounting for endowments.

At the January 2021 Board Meeting, it was agreed that the Trust for Investment of the Bennett Reddihough endowments should be set at £2,000,426, representing the probate figure of £3,026,426, less £26,000 of specific bequests and less a further £1m which the Charity Commission authorised to be spent in November 2012.

All monies over and above this figure will be treated as an unallocated investment reserve.

However, trustees agreed that it is desirable to preserve the original value of the endowment and agreed that this should be set at the value of the Trust for Investment plus an allowance of 110% for inflation. Thus, trustees will treat the figure of £4,165,820 as the original value of the endowment.

Over a five-year, rolling period, trustees will aim to preserve this value in line with the Retail Prices Index measure of inflation. However, as this is the first year of operating under the new policy, and as the global pandemic has had such an extraordinary impact upon the life of the college, governors do not believe it is appropriate to make any transfer to the original value reserve this year. All growth will be treated as unallocated investment reserves.

G. Funds and Investment Policy

It is pleasing to be able to report that our investment portfolio has recovered substantially and at year end, stands at £5,252,377 as compared with £4,530,540 the previous year.

Although we had anticipated a formal review of our investment strategy in 2020, governors believe that the current levels of uncertainty brought about by the global pandemic makes this undesirable.

Instead, we have moved our investments managed by Cazenove Capital to their Responsible Multi-Asset Fund which operates on a total return basis and is more closely aligned to our ethical investment goals. Although this is the first year of holding this particular fund, it is also pleasing to report that this generated income of £183,800 compared with a budget of £180,000.

H. Going Concern

With an unallocated investment reserve of £919,924 over and above the original value of the Bennett Reddihough endowments, trustees are reassured that NBC is able to weather the short-term financial storm. In addition to the budget, agreed by the board, a second, contingency budget has also been prepared under which

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Annual Report of the Trustees for the Year to 31 August 2021

the annual deficit may increase to some £106k. Even were this to double, NBC would have five years to address its financial strategy – and would still have unallocated reserves over and above the Trust for Investment figure. Furthermore, NBC owns a majority stake in the property of Luther King House which, under this 'worst-case scenario' could be liquidated to provide additional income.

Under the circumstances, trustees have no hesitation in confirming that Northern Baptist College remains a Going Concern.

I. Plans for future Periods

At the governors' meeting in July 2021, the delayed five-year strategy for 2021-26 was agreed. This builds upon – and celebrates – the previous strategic vision. However, in order to respond to the changing context for churches, country and world, NBC governors have agreed five strategic objectives:

1. To develop and emphasise NBC's focus on issues of justice and inclusion within a holistic understanding of mission.
2. To develop our work with pioneers and chaplains
3. To develop and expand online learning opportunities
4. To develop a range of CMD (Continuing Ministerial Development) learning opportunities with an emphasis on training the trainers
5. To give a greater priority to creation care as part of the mission of God

Each of these is underpinned by a number of specific and measurable actions. Governors have agreed in principle to provide resources to implement this and at the time of writing a revised budget is being prepared to take this into account.

In the short term, governors recognise that this will lead to an increase in NBC's budget deficit. However, we are confident that this will be significantly less than our unallocated investment reserve. By cementing NBC's unique historic identity, we believe we are safeguarding the future of the college.

J. Statement of the Trustees Responsibilities.

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

Company law requires the Charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources, including the 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 in the Charities SORP;
- 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 charity will be able to continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and to 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.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Charity governance code

NBC Governors have adopted the Charity Governance Code for small charities. The governors are clear about

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the charity's aims and monitor and review vision and strategy on a 5-yearly cycle. As reported above, a new strategic vision has been adopted which will be formally reviewed in 2026. In recent years we have made significant changes to our governing body to ensure that it has the right skills and experience represented on it and provides strategic leadership. The governing body acts according to the Nolan principles of public life. The governing body are aware of key risks and review these regularly. The Governing body are keenly aware of issues of diversity for example this year we introduced a new statement of principles around gender, sexuality and safeguarding. We seek to be open and accountable in our work. As part of this our senior students who are appointed by the student body have an open invitation to Governing Body meetings and provide a report to each meeting. This year in response to students questions we have produced a detailed report on the college finances for students, which practise will be incorporated into the college's reporting cycle.

We are aware that the Charity Commission made changes to the Code in 2020, but did not feel it was opportune to discuss these whilst meeting electronically. A full review of our compliance with the code will be implemented during 2022, assuming we are able to meet in person.

K. Disclosure of Information to the Auditors

In so far as the trustees are aware at the time of approving our trustees' annual report:

- There is no relevant audit information, being information needed by the auditor in connection with preparing their report, of which the Charity's auditor is unaware; and
- The trustees, having made enquiries of fellow directors and the auditor that they ought to have individually taken, have each taken all steps and he/she is obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.



By order of the trustees
Neil Brighton - Trustee

DATE: 12 May 2022

NORTHERN BAPTIST COLLEGE

Independent Auditor's Report to the Members of Northern Baptist College

Opinion

We have audited the financial statements of Northern Baptist College for the year ended 31 August 2021 which comprise the Statement of Financial Activities, Balance Sheet, Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

NORTHERN BAPTIST COLLEGE

Independent Auditor's Report to the Members of Northern Baptist College

Opinion on other matter prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of our audit

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption in preparing the trustees report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 10, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, Charities Act 2011 and employment legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to

NORTHERN BAPTIST COLLEGE

Independent Auditor's Report to the Members of Northern Baptist College

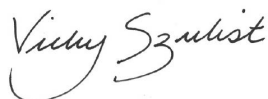
be the override of controls by management and completeness of income. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, sample testing from student record documentation, proof in total on conference income based on published fees and delegate list, reviewing rental agreements for rental income and sample testing of investment income from investment reports and loan agreements.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Vicky Szulist
Senior Statutory Auditor
For and on behalf of

Crowe U.K. LLP

Statutory Auditor

The Lexicon
Mount Street
Manchester
M2 5NT

Date 12th May 2022

NORTHERN BAPTIST COLLEGE

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	Unrestricted funds £	Restricted funds £	Endowed Funds £	Total 2021 £	Total 2020 £
Income:						
Donations and legacies	3	18,956	-	-	18,956	20,304
<i>Income from charitable activities:</i>						
Operation of ministerial training college	4	221,003	-	-	221,003	172,217
Investment income	5	4,337	2	183,798	188,137	157,706
Total income		244,296	2	183,798	428,096	350,227
Expenditure						
<i>Expenditure on charitable activities</i>						
Operation of ministerial training college	6	406,390	-	-	406,390	412,737
Total expenditure		406,390	-	-	406,390	412,737
Net (expenditure)/income before transfers and gains for the year	9	(162,094)	2	183,798	21,706	(62,510)
Transfers between funds		1,043,170	(5,380,233)	4,337,063	-	-
Other recognised gains/losses:						
Net gains/(losses) on investments	12	-	-	731,516	731,516	(182,919)
Net (expenditure)/income and net movement in funds for the year		881,076	(5,380,231)	5,252,377	753,222	(245,429)
Reconciliation of funds						
Total funds brought forward		289,359	5,768,027	-	6,057,386	6,302,815
Total funds carried forward at 31 August 2021		1,170,435	387,796	5,252,377	6,810,608	6,057,386

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

All income and expenditure derive from continuing activities.

NORTHERN BAPTIST COLLEGE

BALANCE SHEET

Company No: 573403

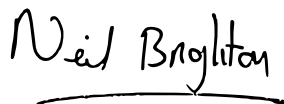
AS AT 31 AUGUST 2021

	Note	2021 £	£	2020 £	£
Fixed assets					
Tangible fixed assets	11	419,483		421,926	
Fixed assets investments	12	6,292,377		5,570,540	
Total Fixed Assets		6,711,860		5,992,466	
Current assets					
Debtors	13	131,933		61,144	
Cash at bank and in hand		55,309		99,226	
		187,242		160,370	
Creditors: amounts falling due within one year	14	(27,364)		(25,484)	
Net current assets		159,878		134,886	
Creditors: amounts falling due after more than one year	15	(61,130)		(69,966)	
Total net assets		6,810,608		6,057,386	
Funds of the charity					
Unrestricted funds	16	1,170,435		289,359	
Endowment funds	17,20	5,252,377		-	
Restricted funds	17	387,796		5,768,027	
Total Charity funds		6,810,608		6,057,386	

These financial statements are prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the company.

The notes at pages 18 to 29 form part of these accounts.

The financial statements were approved by the Governing Body on 12 May 2022 and signed on its behalf by:



Neil Brighton
Trustee

NORTHERN BAPTIST COLLEGE

CASH FLOW STATEMENT FOR THE YEAR ENDED AT 31 AUGUST 2021

	2021 £	2020 £
Net income for the year	753,222	(245,429)
Investment income	(188,137)	(157,706)
Depreciation	6,701	5,545
Net gains/(losses) on investments	(731,516)	182,919
(Increase)/decrease in debtors	(70,789)	(29,184)
Increase/(decrease) in creditors	(6,956)	(13,083)
Net cash flow from operating activities	(237,475)	(256,938)
Cash flows from investing activities		
Investment income	188,137	157,706
Purchase of fixed assets	(4,258)	(1,293)
Purchase of investments	(1,992,565)	(3,100,482)
Sale of investments	2,002,244	3,234,353
Net cash flow from investing activities	193,558	290,284
Increase (decrease) in cash and cash equivalents in the year	(43,917)	33,346
Cash and cash equivalents at the beginning of the year	99,226	65,880
Total cash and cash equivalents at the end of the year	55,309	99,226
Cash and cash equivalents at the end of the year consist of:		
Cash at bank and in hand	55,309	99,226

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

1 Accounting Policies

Northern Baptist College is a private company limited by guarantee, incorporated in England and Wales.

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

1.1 Basis of preparation

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.

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

Northern Baptist College 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 notes.

1.2 Preparation of the accounts on a going concern basis

The Trustees are seeking a move to Total Return Accounting which current estimates show would provide an unallocated investment reserve of just under £1.2m.

The Covid-19 pandemic continues to impact operations but the Charity has been able to continue delivery remotely. Current forecasts show a small deficit for future years but investment returns are expected to remain strong. Different scenarios have been forecast which shows that the Trustees have a number of years to address this issue.

As such the Trustees consider that the Charity is a going concern for the foreseeable future with no material uncertainties.

1.3 Income recognition

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

Most student course fees are invoiced at the beginning of the academic year and are receivable then.

Unsolicited donations are accounted for when received. For legacies, entitlement is taken at the earliest of

- the date on which the Charity is aware that probate has been granted;
- the estate has been finalised and notification has been made by the executor(s) to the Charity that a distribution will be made; or
- when a distribution is received from the estate.

Other income is accounted for on a receivable basis.

Interest on funds held on deposit is included upon notification of the interest paid or payable by the deposit taker. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by our Investment manager of the dividend yield of the investment portfolio.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1.4 Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to that category.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Allocation of governance costs

Governance costs are those costs associated with charity governance requirements and which relate to the general running of the organisation.

Staff pensions

The charitable company is an employer participating in the Baptist Pension Scheme ("the BPS").

From January 2012, pension provision for the Co-Principals is being made through the Defined Contribution (DC) Plan within the BPS. In general, members pay 8% of their Pensionable Income and employers pay 6% of members' Pensionable Income into individual pension accounts. In addition, the employer pays a further 4% of Pensionable Income (or 3% if the employer is in the segregated DC section) to cover Death in Service Benefits, administration costs, and an associated insurance policy which provides Income protection for BPS members in the event that they are unable to work due to long-term incapacity. This income protection policy has been insured by the Baptist Union of Great Britain with Aviva. Members of the Basic Section of BPS pay reduced contributions of 5% of Pensionable Income, and their employers also pay a total of 5%.

Benefits in respect of service prior to 1 January 2012 are provided through the Defined Benefit (DB) Plan within the BPS. The main benefits were:

- In the BPS, 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; and

The BPS, previously known as the Baptist Ministers' Pension Fund, started in . The scheme was closed to future accrual of defined benefits on 31 December 2011.

The table below summarises the main results of the most recent actuarial valuations of the Defined Benefit (DB) Plan in the BPS. These valuations were performed by a professionally qualified Actuary using the Projected Unit Method.

	<u>BPS DB Plan</u>
Date of valuation	31/12/2019
Date of next valuation (currently under preparation)	31/12/2022
Market value of scheme assets (A)	£298m
Technical provisions (B)	£316m
Deficit [(B) - (A)]	£18m
Funding level [(A)/(B)]	94%

As a result of the valuation, in addition of the contributions to the DC Plan set out above, the following deficiency contributions were agreed:

- For the BPS, the standard rate of deficiency contributions payable remains at previously agreed levels, increasing each year in line with increases in the Minimum Pensionable Income. The deficiency contributions are broadly based on 12% of Pensionable Income/Minimum Pensionable Income, reflecting each employer's contributions in March 2015. Some employers that were involved in the DB Plan for a short period pay lower contributions. The Trustee and the Council agreed a 50%

NORTHERN BAPTIST COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

Staff pensions continued

reduction for all deficiency contributions payable between 1 July 2020 and 31 December 2020. The current Recovery Plan dated 30 September 2020 envisages deficiency contributions continuing until 30 June 2026.

The key financial assumptions underlying the valuations were as follows:

	BPS	BUSPS
Type of assumption	%pa	%pa
RPI price inflation assumption	3.20	3.45
CPI price inflation assumption	2.70	2.70
Minimum Pensionable Income increases (BPS only)	3.20	n/a
Pensionable Salary increases (BUSPS only)	n/a	3.70
Assumed investment returns		
- pre-retirement	2.95	3.50
- post-retirement	1.70	2.25
Deferred pension increases		
- pre-April 2009	3.20	3.45
- post April 2009	2.50	2.50
Pension increases (BPS main scheme pension and BUSPS pension)		
- pre-April 2006	2.70	3.25
- post April 2006	2.70	2.15

As there are numbers of contributing employers participating in both the BPS and the BUSPS, the charitable company is unable to identify its share of the underlying assets and liabilities of the schemes. Accordingly, the profit and loss charge for the period represents the employer contributions payable. The employer contribution for all schemes is taken to the Statement of Financial Activities as incurred.

The next actuarial valuation of the DB Plan within the BPS is due as at 31 December 2022.

1.5 Tangible fixed assets and depreciation

The Charity's policy with regard to fixed assets is to capitalise those with a value over £500. Tangible fixed assets are capitalised at their purchase price together with any incidental expenses of acquisition.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and Buildings	1% straight line
Office equipment	25% and 33.33% on cost

1.6 Fixed asset investments

Investments are initially recognised at their transaction value and subsequently measured at their market value as at the balance sheet date using the closing quoted market price. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

1.7 Debtors

Student debtors are recognised at the settlement amount due. Any losses arising from impairment are recognised in expenditure. Prepayments are valued at the amount prepaid.

1.8 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.

1.9 Creditors

Creditors are recognised where the Charity 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 to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any discounts due.

1.10 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.

1.11 Taxation

The company has charitable status and is thus exempt from taxation of its income and gains to the extent that they are applied to its charitable objects.

1.12 Fund accounting

Unrestricted funds are donations and other incoming resources which are available for use at the discretion of the trustees in furtherance of the objects of the charity without further specified purpose and which have not been designated for other purposes.

Restricted funds are subject to restrictions on their expenditure imposed by the donor. Expenditure which meets this criterion is charged to the fund together with a fair allocation of overhead costs.

Judgements in applying accounting policies and key sources of estimation uncertainty

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Impairment of debtors

The charity makes an estimate of the recoverable amount of trade and other debtors. When assessing the impairment of trade and other debtors, the management team considers factors including the financial strength and ageing profile of the debtors and historical experience. The net carrying amount of the debtors is set out at Note 13.

NORTHERN BAPTIST COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

Baptist Pension Scheme

The costs of the BPS deficit recovery plans have been estimated based on the net present value of future payments, discounted at a rate equivalent to that of a high quality corporate bond. The scheme actuary reviews the funding of the plan annually and undertakes a formal actuarial valuation every three years, at which time the deficit recovery plan may be amended.

2 Legal status of the Charity

The Charity is a company limited by guarantee and has no share capital. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the Charity.

3 Income from donations and legacies

	2021	2020
	£	£
Gifts	18,956	20,304
	18,956	20,304

4 Income from charitable activities

	2021	2020
	£	£
Student fees	160,749	159,490
Conference Income	60,254	12,727
	221,003	172,217

5 Investment income

	2021	2020
	£	£
Listed investments	184,002	148,605
Loan Interest	4,337	6,153
Property income	-	2,825
Bank and other interest	2	123
	188,341	157,706

Of the £188,341 received in 2021 (2020: £157,706), £184,004 was restricted funds (2020: £148,728) and £4,337 was unrestricted funds (2020: £8,978).

NORTHERN BAPTIST COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

6 Analysis of expenditure on charitable activities

	2021 £	2020 £
Other costs relating to charitable activities comprise:		
Staff costs (see note 10)	190,107	177,823
Tutorial fees and expenses	51,583	34,047
Academic fees	31,779	41,095
College bloc charge – Luther King House Educational Trust	34,000	34,000
Conference expenses	18,554	11,802
Travelling expenses	2,870	5,410
Catering costs	-	3,715
Rates and ground rents	4,463	4,192
Heat and light	2,135	2,194
Insurance	3,076	3,015
Printing, postage, stationery and advertising	870	1,078
Telephone	560	950
Books and publications	1,770	952
Legal and professional fees	-	837
Bookkeeping and payroll fees	3,329	9,897
Repairs and renewals	10,322	6,515
Provision for unpaid student fees	-	4,759
Student bursaries	34,485	23,243
Sundry expenses	6,845	6,007
Bank charges	266	295
Depreciation of tangible fixed assets	6,701	5,545
	403,714	377,371

7 Governance costs

	2021 £	2020 £
Governance costs comprise:		
Auditors' fees	6,330	5,150
Trustee meeting costs	-	54
	6,330	5,204

8 Support costs

	2021 £	2020 £
Support costs comprise:		
Portfolio Management fees	5,182	30,162
	5,182	30,162

9 Net income/(expenditure) for the year

	2021 £	2020 £
This is stated after charging:		
Depreciation of tangible fixed assets	6,701	5,545
Auditors' remuneration	6,330	5,150

NORTHERN BAPTIST COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

10 Analysis of staff costs and trustee expenses

The key management personnel of the College are Rev Dr Clara Rushbrook and Rev Dr Glen Marshall who acted as College Co-Principals during the period and their joint remuneration for the year to 31 August 2021 was £95,271 (2020: £93,403). Although trustees of the college the Co-Principals are remunerated as employees.

None of the trustees or persons connected with them have received or obtained any remuneration or other financial benefits for the year either directly or indirectly from the funds of Northern Baptist College. During the year, travel expenses were reimbursed to 1 trustees (2020: 4). The aggregate amount of expenses paid was £14 (2020: £1,576).

Staff costs

	2021 £	2020 £
Salaries	155,507	152,079
Social security costs	11,740	11,166
Pension contributions	22,860	14,578
	190,107	177,823

The average number of employees during the year, calculated on the basis of full-time equivalents, was as follows:

	Number	Number
Ministerial training	3	3
Support staff	2	2
	5	5

NORTHERN BAPTIST COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

11. Tangible fixed assets

	Freehold Property £	Office Equipment £	Total £
<i>Cost</i>			
At 1 September 2020	442,009	14,185	456,194
Additions	-	4,258	4,258
At 31 August 2021	442,009	18,443	460,452
<i>Depreciation</i>			
At 1 September 2020	22,098	12,170	34,268
Charge for the year	4,420	2,281	6,701
At 31 August 2021	26,518	14,451	40,969
<i>Net book value</i>			
At 31 August 2021	415,491	3,992	419,483
At 31 August 2020	419,911	2,015	421,926

12. Fixed asset investments

	2021 £	2020 £
Investment portfolio – Cazenove Capital Management	5,252,377	4,530,540
Stake in Luther King House Educational Trust	1,040,000	1,040,000
	6,292,377	5,570,540
<i>Investment portfolio</i>		
At 1 September 2020	4,530,540	4,847,330
Additions	1,992,565	3,100,482
Disposal proceeds	(2,002,244)	(3,234,353)
	4,520,861	4,713,459
Revaluation as at 31 August 2021	731,516	(182,919)
	5,252,377	4,530,540
The investment portfolio comprises:		
UK listed investments	973,938	2,305,472
Overseas listed investments	4,278,439	2,225,068
	5,252,377	4,530,540

NORTHERN BAPTIST COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

Stake In Luther King House Educational Trust

The Charity was a founder member of Luther King House Educational Trust (LKHET) in September 2000. As part of the financial basis for Luther King House Educational Trust, the Charity transferred cash of £50,000 and the land and buildings at Luther King House to a charity called Luther King House Property Trust under a Charity Commission Scheme dated 27 June 2002. At the date of transfer, the land and buildings were valued at £700,000.

Under the terms of the Luther King House Property Trust, as a founder member of LKHET, the Charity has rights in relation to the disposal of the assets of the Property Trust in the event of its dissolution. The scheme provides that, under a revision of the scheme, 62.5% of the value of the land and buildings will be distributed to the Charity. The most recent professional valuation of the property in January 2015 was £3 million.

Luther King House Property trust is now part of Luther King House.

13 Debtors

	2021	2020
	£	£
Student debtors	42,670	57,366
Prepayments and accrued income	64,263	3,778
Amounts due from related party	25,000	-
Total	131,933	61,144

14 Creditors: amounts falling due within one year

	2021	2020
	£	£
Trade creditors	1,186	629
Tax and social security	-	3,699
Accruals and deferred income	15,652	10,630
Pension liability	10,526	10,526
	27,364	25,484

15 Creditors: amounts falling due after one year

	2021	2020
	£	£
Pension liability	61,130	69,966
	61,130	69,966

The charity is required to make pension deficit contributions to the Baptist Pension Scheme to the value of £10,526 per annum until December 2028. Including within creditors due within one year and after one year is the net present value of these payments using a discount rate equivalent to a high-quality corporate bond – 1.85% (2020: 2.1%). The total pension liability as at 31 August 2021 was £71,656 (2020: £80,492).

NORTHERN BAPTIST COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

16 Unrestricted Funds

	Balance at 1 September 2020	Incoming Resources	Expenditure incurred	Gains/ (losses) and transfers	Balance at 31 August 2021
	£	£	£	£	£
General Funds	286,405	244,296	(406,390)	1,043,170	1,167,481
College Library Fund	2,954	-	-	-	2,954
	<u>289,359</u>	<u>244,296</u>	<u>(406,390)</u>	<u>1,043,170</u>	<u>1,170,435</u>
	Balance at 1 September 2019	Incoming Resources	Expenditure incurred	Gains/ (losses) and transfers	Balance at 31 August 2020
	£	£	£	£	£
General Funds	497,643	201,499	(412,737)	-	286,405
College Library Fund	2,954	-	-	-	2,954
	<u>500,597</u>	<u>201,499</u>	<u>(412,737)</u>	<u>-</u>	<u>289,359</u>

17 Restricted & Endowed Funds

	Balance at 1 September 2020	Income/ (expenditure)	Gains/ (losses) and transfers	Balance at 31 August 2021
	£	£	£	£
Bennett/Reddihough Capital Funds	5,380,233	-	(5,380,233)	-
Property Trust	293,895	-	-	293,895
Scholarship and Prize Fund	93,899	2	-	93,901
	<u>5,768,027</u>	<u>2</u>	<u>(5,380,233)</u>	<u>387,796</u>
Bennett/Reddihough Endowed Funds	-	183,798	5,068,579	5,252,377

Investment income received on restricted funds is transferred to the unrestricted funds account as there is no restriction placed on this income.

The Property Trust and Scholarship and Prize Fund are historic restricted funds.

	Balance at 1 September 2019	Income/ (expenditure)	Gains/ (losses) and transfers	Balance at 31 August 2020
	£	£	£	£
Bennett/Reddihough Capital Funds	5,412,341	139,641	(171,749)	5,380,233
Property Trust	295,991	9,074	(11,170)	293,895
Scholarship and Prize Fund	93,886	13	-	93,899
	<u>5,802,218</u>	<u>148,728</u>	<u>(182,919)</u>	<u>5,768,027</u>

Funds referred to in these financial statements and previous financial statements as the Bennett/Reddihough Capital Funds are in fact endowed funds.

During the year, the Board agreed to undertake total return accounting. The original Trust for investments of the Bennett & Reddihough funds is estimated at £3,000,426 excluding Craven Manor Farm at Farnhill. In 2012, the Charity Commission permitted a transfer of £1m of the endowed funds to unrestricted funds for charitable purposes. The remaining Trust for investment of £2,000,426 when compared to the asset value of £5.25m leaves an unapplied investment return of £3.25m to be utilised by the Trustees. The Trustees have developed a total return policy which will enable them to preserve the value of the bequest in real terms.

At the beginning of the year there was a transfer of £1,043,170 from endowed funds to unrestricted funds as part of the transition to total return accounting, reflecting the funds not invested.

NORTHERN BAPTIST COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

18 Analysis of net assets between funds

Fund balances at 31 August 2021 are represented by:	Unrestricted Funds	Restricted Funds	Endowed Funds	Total
	£	£	£	£
Tangible assets	419,483	-	-	419,483
Fixed assets investments	1,040,000	-	5,252,377	6,292,377
Debtors	131,933	-	-	131,933
Cash at bank and in hand	(332,487)	387,796	-	55,309
Creditors: amounts falling due within one year	(27,364)	-	-	(27,364)
Creditors: amounts falling due after one year	(61,130)	-	-	(61,130)
Total net assets	1,170,435	387,796	5,252,377	6,810,608

Fund balances at 31 August 2020 are represented by:	Unrestricted Funds	Restricted Funds	Endowed Funds	Total
	£	£	£	£
Tangible assets	421,926	-	-	421,926
Fixed assets investments	1,040,000	4,530,540	-	5,570,540
Debtors	61,144	-	-	61,144
Cash at bank and in hand	(1,138,261)	1,237,487	-	99,226
Creditors: amounts falling due within one year	(25,484)	-	-	(25,484)
Creditors: amounts falling due after one year	(69,966)	-	-	(69,966)
Total net assets	289,350	5,768,027	-	6,057,386

19 Related party transactions

Pension deficit payments in respect of trustee pension contributions for two Trustees were £8,714.

Included in investments is a loan of £60,000 (2020: £60,000) and included in investments is a loan of £230,000 (2020: £230,000), both to Luther King House Educational Trust (LKHET). LKHET is related by virtue of Northern Baptist College being a member college of LKHET. These loans are repayable when LKHET has funds available or on the dissolution of LKHET. Interest is payable at 1% below base rate on the £60,000 loan and at the daily rate set by the Charities Aid Foundation for its COIF units, collared at 4%, for the £230,000 loan. In the year there was an additional loan made to LKHET of £25,000, this loan is repayable when LKHET has funds available or on the dissolution of LKHET. Interest payable is capped at 1% above base rate. The total interest received during the year was £4,337 (2020: £6,153).

During the year, LKHET also made sales to the Charity of £65,779 (2020: £80,075). At the year end the Charity held £34,000 (2020: £nil) in prepayments due to a payment made to LKHET. During the year, £568 (2020: £nil) of sales were made by the Charity to Luther King Conference and Accommodation Services Limited (LKHCCAS), a trading subsidiary of LKHET. At the year end the Charity was owed £143 (2020: £nil).

A Trustee has received payments of £3,030 (2020: £nil) from the College in relation to works carried out on behalf of the Creating Sanctuary project, which is run and managed by One Body, One Faith, who as an unincorporated charity are unable to receive grant funding. The College, therefore received funding, on that charity's behalf, from which the Trustee has been paid. No amounts were payable to the Trustee as at the reporting date (2020: £nil).

NORTHERN BAPTIST COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

20 Endowment Fund Investments

	Endowment £	Inflation £	Unapplied Total Return £	Total £
At 1 September 2020				
Trust for investment/permanent endowment	2,000,426	-	-	2,000,426
Effect of inflation	-	2,165,394	(2,165,394)	-
Unapplied total return	-	-	3,573,284	3,573,284
Transfer to unrestricted	-	-	(1,043,170)	(1,043,170)
Total	2,000,426	2,165,394	364,720	4,530,540
Movements in the reporting period:				
Investment return: dividends and interest	-	-	183,798	183,798
Investment return: realised and unrealised gains and (losses)	-	-	588,187	588,187
Less: Investment management costs	-	-	(50,148)	(50,148)
Total	-	-	721,837	721,837
Unapplied total return allocated to income in the reporting period	-	-	-	-
Net movements in reporting period	-	-	721,837	721,837
At the end of the reporting period:				
Trust for investment/permanent endowment	2,000,426	-	-	2,000,426
Effect of inflation	-	2,165,394	(2,165,394)	-
Unapplied total return	-	-	3,251,951	3,251,952
Total	2,000,426	2,165,394	1,086,557	5,252,377

The initial effect of inflation has been calculated on transition to total return accounting. The Trustees have agreed to protecting trust for investment against the impact of inflation over a five year rolling basis.

NORTHERN BAPTIST COLLEGE LIMITED

England & Wales - Charity number 1108216

Accounts



NORTHERN BAPTIST COLLEGE
(a company limited by guarantee)

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

Charity Registration Number: 1108216
Company Registration Number: 573403

NORTHERN BAPTIST COLLEGE

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

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NORTHERN BAPTIST COLLEGE

Annual Report of the Trustees for the Year to 31 August 2020

The trustees are pleased to present their annual directors' report together with the audited financial statements of the Charity for the year ended 31st August 2020, which are also 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 Memorandum and 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 application in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

A. Reference and Administrative details of the charity, its trustees and advisors

Directors and trustees

The directors of the Charity are its trustees for the purpose of the charity law and are referred to as the trustees throughout this report. The affairs of the Charity are administered by the board of trustees, known as the Governing Body. The Articles of Association provide for trustees to be appointed by election by the Governing Body. Current trustees are shown in bold type:

Karen Martindale		Chair of Governors
Clara Rushbrook	(formerly Clare McBeath)	College Co-Principal
Glen Marshall		College Co-Principal
Robert Poole		Treasurer
Wayne Clarke		
Jacquie Osmund-Smith		
Gary Serra di Migni		
Christopher Upton		
Angela Wright		
Tim Presswood	(Resigned 12 October 2020 but on "Leave of Absence" from 6 January 2020)	

Registered office

Luther King House, Brighton Grove, Rusholme, Manchester, M14 5JP

Auditors

Crowe UK LLP 3rd floor, The Lexicon, Mount Street, Manchester, M2 5NT

Bankers

NatWest Bank, 24 Deansgate, Bolton, BL1 1BN

Investment managers

Cazenove Capital Management, 12 Moorgate, London, EC2R 6DA

NORTHERN BAPTIST COLLEGE

Annual Report of the Trustees for the Year to 31 August 2020

B. Structure, Governance and Management

Governing Document

Northern Baptist College was formed in 1963 when the Baptist ministerial training colleges at Rawdon and Manchester amalgamated. A new building was erected on the Manchester site and the united college became Northern Baptist College. In the 1970's new schemes of training for ministry were inaugurated in partnership with colleges of other denominations in the city. After the creation of the Northern Federation for Training in Ministry, the main college building was renamed Luther King House. It is now owned by the Luther King House Educational Trust and managed ecumenically. Northern Baptist College plays a full role within the Trust Partnership.

The Charity is now a charitable company limited by guarantee, registered in England and Wales (No. 573403), and is registered as a charity (No. 1108216). The Company was established under a Memorandum of Association, which sets out the objects and powers of the charitable company and was governed under its Articles of Association.

The Charity was created to continue the work of its predecessor charity, Northern Baptist College (charity number 526653). Under a Charity Commission Scheme of 1 September 2009, two new charities were established to carry on and further develop the work of the predecessor charity – the Northern Baptist College Property Trust (charity number 1108216-1) and the Northern Baptist College Scholarship and Prize Fund (charity number 1108216-2). The new charities were established to take on the permanent endowment of the predecessor charity and the company became trustee of the Property Trust and the Scholarship Fund. Under a uniting direction, the Property Trust and the Scholarship Fund are to be treated as forming part of the company for the purposes of Part 4 (registration) and Part 8 (accounting) of the Charities Act 2011

The affairs of the Charity are governed by the board of trustees who meet as the Governing Body and who are also directors of the company. The charity operates under revised Articles of Association which were adopted by the Governing Body in November 2017. The governing body now consists of up to twelve trustees (with the possible addition of up to three non-voting co-optees).

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and, in the event of the company being wound up, members are required to contribute an amount not exceeding £10.

Recruitment and Appointment of trustees

Trustees are appointed by the existing Governing Body on the basis of their skills and experience with the exception of the Co-Principals who are appointed ex-officio. All other trustees may serve for a maximum of two, three-year terms after which they must retire for at least one year

Trustee induction and training

The induction of a new trustee is aimed at ensuring that they understand the role of the Charity and the way in which their knowledge is a key part of ensuring that our responsibilities are comprehensively and fairly discharged within the law and within the spirit of the Christian family of which we are a part.

Organisational Structure

The Charity is administered by the Governing Body, which aims to hold three board meetings each year.

The day-to-day management of the Charity is overseen by the Senior Management Team, led by the College Co-Principals. They will usually meet weekly during term time. Regular meetings are also held by the Co-Principals with the Chair of Governors.

Risk Management

Trustees have a duty to identify the key strategic, business and operational risks of the Charity and to review these at least once per year. The trustees have established systems and controls to mitigate against the major risks which have been identified. A Risk Register has been established and is monitored at each governing body meeting. Any activity that has a high residual risk is monitored. A named staff member is appointed to oversee action to bring this down to acceptable levels when possible and a named trustee has board level oversight of this process.

During the year, the emerging risks associated with Covid-19 have led to some significant changes to our risk

NORTHERN BAPTIST COLLEGE

Annual Report of the Trustees for the Year to 31 August 2020

profile.

Our two highest risks are now both associated with the partnership with Luther King House. The highest of these is the financial risk to LKH of being forced to close the hotel and conference facilities leading to a catastrophic loss in income. Associated to this risk is the loss of essential services provided by the partnership, particularly with regard to the academic administration of students' courses. As well as putting contingency plans in place to ensure that students' formation can continue, NBC has been proactive in managing these risks. Together with Northern College (URC), we have committed to using NBC's reserves to provide loans to Luther King House to ensure the short-term survival of the business and are actively working with other partners to develop long-term strategies beyond the Covid-19 restrictions. We remain convinced that the partnership with Luther King House remains a key part of our 'hub-based' strategy for delivering our charitable aims.

Two other risks remain at levels which the governors are monitoring closely. The first of these arises from competition from other providers. After many years of collaboration, another Baptist college has embarked upon a programme of expansion. If allowed to continue unchecked, this would have the effect of reducing choice and diversity for those wishing to train for Baptist ministry. At the same time, we note the expansion of independent Bible colleges who are able to provide academic qualifications but not ecclesial formation. We continue to believe that these two elements are best delivered together. The governing body has started a refresh of its strategic plan which will address these issues and ensure that Northern Baptist College can continue to offer a distinctive perspective on Baptist ministry moving forward.

The final substantive risk identified is the level of student debt. A majority of our students are not eligible for Student Finance so are responsible for the payment of their own fees. It has been recognised nationally that this is an issue facing the entire Baptist denomination and a review of student support has been commissioned nationally. NBC is an active participant in that review although, inevitably, this has been impacted by Covid-19. One of our administrators is now responsible for the management of student debt and has had some success in working with students and their churches to ensure that all fees are paid in a timely manner.

Fundraising

The charity did not undertake any fundraising activities under section S162A of the Charities Act 2011.

C. Objectives and Activities

Objects of the Charity

The Articles of Association set out the primary object of the Company:

To advance the Christian Religion and advance education by providing theological education, primarily for Christian people, with a view to ministry and mission in and through Baptist Churches in Great Britain and worldwide, and the Doctrines and Principles of Religion maintained by Baptist Churches as set forth in the "Declaration of Principle" adopted from time to time in the Constitution of the Baptist Union of Great Britain, shall be taught.

This is also the object of the Northern Baptist College Property Trust under the Charity Commission Scheme of 1 September 2009, the object of the Northern Baptist College Scholarship and Prize Fund was set out as follows:

To further the education of pupils attending the Northern Baptist College by the award of scholarships or prizes.

Our hope and our belief continue to be that we are able to fulfil our desire for NBC to be a community where, to quote our vision and values, those to whom we minister learn to be:

- Mission-focused: engaging with the world, not hiding in the church.
- Relationally committed: collaborating with others instinctively, not going it alone.
- Theologically savvy: rooted in the biblical story, not just doing whatever seems to 'work'.
- Servant hearted: knowing that leadership is about loving people, not building empires.
- Community oriented: seeking justice for all, not settling for anything less.
- Lifelong learners: embracing growth and development, not stuck in their ways.

NORTHERN BAPTIST COLLEGE

Annual Report of the Trustees for the Year to 31 August 2020

The Charity covenants to:

- Seek, under the rule of Christ, to discern God's priorities for its future
- Facilitate Christian learning and growth in discipleship
- Cooperate with others to empower the whole people of God for mission and ministry
- Engage with integrity in prophetic biblical and theological reflection
- Model God's justice and God's peace through word and action

Public benefit statement

Each year, the trustees review the objectives and activities of the Charity to ensure that they continue to reflect the Charity's aims and to provide public benefit. The trustees consider that they have complied with their duties under the Charities Act 2006 to have due regard to public benefit guidance published by the Charity Commission. Faith gives meaning to people's lives and contributes to their well-being. It offers a vision for peace and harmony and provides a moral and ethical foundation to support people in serving the community at every level.

NBC contributes to the developing and delivering the vision and strategy of Baptists Together (Baptist Union of Great Britain) both nationally and regionally, through the various Baptist associations and other Baptist Colleges. We support the work of Luther King House through its partnership in the Centre for Theology and Justice and through its Open Learning Programme of lectures and workshops which are open to anyone. Individual tutors contribute to various academic and denominational publications and to symposiums and conferences in the areas of theology, mission and Biblical studies.

Although we have a scale of tuition fees, they do not cover the full cost of the course. Steps are taken to ensure that the fees do not exclude those who do not have the ability to pay; no one who has been accepted for ministerial training is turned away on financial grounds.

Grant Making Policy

NBC administers the Baptist Union of Great Britain Bursary scheme and has set a bursary fund from its own funds. These bursaries are means-tested and are targeted towards students who would find it difficult to pay for their training and formation. Bursaries given are specifically to help Ministers in Training with the costs of their academic and formation fees but may also be given to provide for example, support for additional learning needs or assessments and counselling. Students are supported and encouraged to apply for other grants and awards as appropriate.

D. Achievements and performance

In addition to achieving our normal charitable objectives, in November 2014 Governors set out a number of key objectives in our strategic plan for 2014 - 2019. A review of these objectives was due in autumn 2019 but had barely started when Covid-19 struck. As a result, the strategic review has been somewhat delayed. However, the review process together with a 'direction of travel' were agreed at the Governors' meeting in October 2020. The strategic plan will be presented at the February 2021 Governors' Meeting with a final revision being presented for adoption at the meeting in June 2021.

Here we report the developments in each area and by the College as a whole during 2019 – 20.

1. To provide high quality ministerial formation

In the year to August 2020, we had twenty-three students undertaking ministerial formation (MITs), fourteen at our Luther King House hub, six at St. Hild and three at Cranmer Hall.

Of these students one was on an Undergraduate Diploma programmes, seven were on BA, eleven on MA, with others already having the required academic qualifications and/or auditing courses.

Of our eight leaving students, one student graduated with a BA, six with MAs and one student had already completed the required academic qualifications.

Five students have settled into churches and one is pursuing further studies. The remaining two students are in conversation with churches, but the settlement process has been delayed because of the Covid-19 emergency. They are continuing in the placement churches in the meantime.

Clearly, college life has been severely impacted by Covid-19 at all levels. All teaching is now being delivered online and Ministers in Training have found themselves leading churches in lockdown. We have continued to

NORTHERN BAPTIST COLLEGE

Annual Report of the Trustees for the Year to 31 August 2020

provide pastoral support as well as enabling our students to reflect theologically upon this remarkable context.

2. To re-shape ministerial formation in response to changing needs

In 2018–19 we piloted a residential weekend, extended our student and staff retreat and undertook a consultation exercise with students to explore what a new pattern for the Baptist Leadership Programme might look like. The residential weekend and retreat were very much appreciated by students and the overwhelming feedback to the consultation was that we should move to the proposed new pattern of delivering the BLP over three residential weekends and year along with a longer retreat. However, the consultation also showed that for some existing students moving to the new model would be highly problematic as they had designed their placement and family lives on a specific pattern. Therefore, the decision was taken to delay implementing the new pattern until September 2020. As a result, the new 'residential' model has been caught up in the Covid-19 emergency. Even before the second lockdown, the decision was taken to move all teaching online, so arrangements have been made to hold these 'residential' weekends online. Whilst missing many aspects of the physical gathering, student feedback from the first of these weekends, which was held in September 2020 was broadly appreciative.

Alongside this we have continued to develop the role of Associate Tutors (drawn from our 5 partner associations) so that we can draw on the experience of local ministers/practitioners from the associations in a variety of church life from traditional ministry to chaplaincies and pioneering. This year we have drawn upon 7 associate tutors working across the five northern and midland associations. We are very grateful for the contribution made by all our Associate Tutors who gift their skills and time to us in a voluntary capacity.

During the year, we signed a Memorandum of Understanding to develop a fourth formation hub. Uniquely, the Light College & Collective will not be operating on a largely geographical basis, but instead will be focusing on equipping those engaging in Pioneering models of mission and evangelism to become accredited as Baptist Ministers. Although beyond the scope of this report, we are delighted to report that we have already recruited the first three students through this hub who began their formation through NBC in September 2020.

3. To equip local church leaders and support continuing leadership development

This year we have had thirty-one Newly Accredited Ministers (NAMS) doing their learning contracts and theological reflection with us across two residential conferences on the themes of Ministerial Resilience and Maintaining Spiritual Discipline and Building a peaceable Culture. The NAM Conference in September 2020 was, inevitably, held online and that planned for January 2021 will also be online.

Although we only used seven Associate Tutors this year, we now have a 'pool' of nineteen. Sadly, because of the Covid-19 situation, the planned training day was unable to take place this year, but all Associate Tutors with tutees were offered online reviews.

The Latchford Centre run in partnership with the NWBA has continued to run this year and one or two students have transitioned from this to become MITs with us.

The development of Edifi, our new training programme for local leaders has run two events to help local leaders respond to the lockdown. The full pilot programme, once again, had to be delayed due to Covid-19, but this was finally launched early in Autumn 2020.

4. Encourage a more diverse range of leaders

Our hub model continues to function well with recruitment holding up overall. As reported above, we have opened a fourth hub with the Light College & Collective. Whilst it is too early to judge with certainty, we anticipate that students coming to NBC from this route will further expand the rich tapestry of our community. Both students who started with us through TLC are women.

Twenty-one of our currently twenty-five Ministers in Training are women. We also have one new student from the Deaf community. In addition, two students are specifically training in chaplaincy placements.

We are particularly pleased to have supported the development of Creating Sanctuary, an online safeguarding resource for churches as they seek to create safe spaces for LGBTQI+ people.

We remain conscious that the NBC community does not reflect the ethnic make-up of either the country or the denomination we serve. Only one of our students and one of our governors is from a BAME background and this is something which we are seeking to address in our revised strategic plan moving forward.

5. Contribute to theological reflection on mission and ministry

NORTHERN BAPTIST COLLEGE

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During the year, we added two members to our staff team: Rob Beamish was recruited as Hub Tutor for the Light College & Collective and Tim Presswood joined the team as Interim College Manager to provide sabbatical cover.

Clare McBeath got married during the year and has changed her name to Clara Rushbrook. The full staff team now consists of:

Revd Dr Clara Rushbrook (Co-Principal and Tutor in Church History and Theology)
Revd Glen Marshall (Co-Principal and Tutor in Missiology and Homiletics)
Revd Dr Jonathan Tallon (Tutor in Biblical studies)
Revd Dr Sally Nelson (PT Hub Tutor St Hild)
Revd Linda Donaldson (PT Hub Tutor Cranmer Hall)
Revd Dr Robert Beamish (PT Hub Tutor The Light College & Collective)
Revd Tim Presswood (PT Interim College Manager)
Ms Caroline Bennett (PT Administrator)
Miss Louise McMahon (PT Administrator)

The Admin Team have taken much of the administrative burden from the Co-principals allowing them to focus on the challenges of strategic leadership and online teaching.

Glen Marshall has continued as BA Programme Leader at LKH and as the Baptist Colleges representative on the Baptist Union Mission Forum. He continues to speak and preach regularly at churches and conferences including the East Midlands Baptist Association Ministers Conference. He maintains his involvement with the Chinese Christian Churches in Manchester and Sheffield. Glen is a member the editorial board of new journal, *Journal of Baptist Theology in Context* which produced its first edition during the year.

Clara Rushbrook, in addition to her wider denominational responsibility, focusing this year on safeguarding for LGBT people, with the work on Creating Sanctuary and attending the launch event of the Global Interfaith Forum on LGBT+ lives. She continues her work for the Centre for Theology and Justice and in coordinating the LKH MHA Research Symposium on Ageing and supervises a number of PhD students working in this area. Clara continues her work developing alternative forms of Christian community through her involvement with Forest Church in response to the ecological crisis. Clara enjoyed a sabbatical from April 2020 – July 2020 and while most sabbatical plans had to be cancelled due to Covid-19, she was able to focus on reading, writing a book review and re-writing courses ready for both online teaching and the move to Durham Common Awards validation

Jonathan Tallon continues to devote time and energy to his ministry of helping churches to work well with the Bible as they think through and discuss issues of human sexuality. Jonathan's web site and YouTube channel are growing in popularity; he has recently been invited to co-author a book on the issue of human sexuality. Jonathan's work as Research Programme Leader at LKH continues although he has now concluded his role as External Examiner for the Light College & Collective. He is still in membership of a team who are translating the New Testament into British Sign Language.

Sally Nelson at St Hild has continued to serve us very well as Hub Tutor and continues her work as editor of the Baptist Ministers' Journal, organiser of the Northern Baptist Theological Consultation and Secretary to the Whitley Scholarship committee. Sally continues to offer her Myers Briggs personality profiling to all students and staff as part of the Baptist Leadership Programme.

Linda Donaldson, our Hub Tutor at Cranmer Hall, has been a great addition to staff team. Her work supporting, encouraging and tutoring our North Eastern cohort of students is invaluable. Alongside her work as Hub Tutor, Linda continues her work as minister of Portrack Baptist Church in Stockton.

As well as being appointed as Hub Tutor at the Light College & Collective, Rob Beamish found time during the year to complete his PhD in Theology & Ministry from King's College, London. His major academic interest is currently on preaching, particularly exploring the notion of preaching in the context of lockdown.

This has been our fifth year working with our extended team of Associate Tutors. They have served us well, providing tutorial support to students, teaching on the Baptist Leadership Programme. As mentioned above, the planned training day had to be cancelled, but we will look to pick this up again once such gatherings can be held safely. We remain enormously grateful to this dedicated group of friends of the college

6. Develop a sustainable financial model for the future by:
 - a) exploring other possible partnerships
 - b) reviewing the kind of physical home-base that we need
 - c) finding new income streams
 - d) considering fundraising

NORTHERN BAPTIST COLLEGE

Annual Report of the Trustees for the Year to 31 August 2020

- e) continuing to think the unthinkable

One of the ways we set out to develop a more sustainable model was to increase student numbers through possible partnerships. We now have formal partnerships with St. Hild in Sheffield, Cranmer Hall in Durham and the Light College & Collective based in Chester, creating what we call our Hub Model. Overall Ministers in training numbers are currently at 25 compared to 17 in 2013 – 14.

Recruitment of students was held online in 2020 which did not appear to affect the number of applicants. Provision is in place for interviews to be held online again in 2021 should this be necessary. Early indications are that recruitment for next year is holding up.

Covid-19 has significantly impacted the way in which we work. The former principal's house which serves as our office base has been largely mothballed during the year with staff largely working from home. Earlier in the year, we were pleased to be able to let one of the offices to a private tenant. Sadly, of course, this business has had to suspend its operations during lockdown, and we have given the tenant a rent holiday, but we are hopeful that the business will return in 2021. We will continue to review our use of the offices as the situation changes.

In addition, over the last few years we have reviewed academic and administrative staffing levels reducing the former and increasing our admin support. We have supplemented our Admin team with the addition of an interim College Manager. As well as focusing on providing cover during Clara's sabbatical, Tim has steered the college towards bringing its finance function back in house which will be completed next year.

Covid-19 has impacted our investment portfolio. We were intending to conduct a full review of our management arrangements but were locked down before that was completed. It did not seem timely to change providers during the pandemic. Instead, since the year end we have moved to a total return product with the same provider which will strengthen our ethical approach to investments whilst reducing costs. It has the added advantage of greater flexibility between growth and income. At the same time, as outlined elsewhere in this report, since the year end we have moved to a Total Return Approach in managing our endowments.

None of this should mask the fact that the global pandemic has significantly impacted our investments in the short to medium term. NBC has significant reserves, and we are extremely confident in our ability to weather this storm. However, by using our reserves in the short term, we impact our ability to generate income in the medium to long term.

Luther King House

We continue to value enormously our place at the heart of the unique venture that is LKH. The partnership continues to develop not least as we refine and improve our various academic programmes and reach out to the wider church via our Open Learning Programme.

Following last year's strategic decision by the University of Manchester to wind down its validation of partner colleges, Luther King House decided to pursue validation by the University of Durham's Common Awards Programme. This has gone well and we anticipate being formally accepted for validation in January 2020 in time for the new academic year, 2020 to 2021. Common Awards already validates a number of theological colleges including Bristol Baptist College and our partner colleges, St. Hild and Cranmer Hall. While we are sad to see the end of our historic links with the University of Manchester we delighted at the prospect of securing validation by another leading university and fully anticipate that this new partnership will enrich the learning that we are able to offer.

Partnerships

Our partnerships with Cranmer Hall and St Hild continue to be an asset to NBC, they help us to extend the range, flexibility and availability of Baptist ministerial formation across the North of England, whilst the partnership with the Light College & Collective brings a welcome focus upon pioneering mission and evangelism.

The formal review of the partnership with St Hild has been somewhat drawn out because of the pandemic and is now viewed more as a review 'process' than as a one-off review.

We continue to work in partnership with both Urban Expression and with Rural Ministries in terms of placements for a number of students.

Associations and Churches and the Wider Church

Through our students we are connected with sending and placement churches and other organisations such as chaplaincies and pioneering contexts. Each student has a support group, some have a supervisory minister, and

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all have supporting friends and families. We recognise and give thanks for the enormous value of these partnerships and connections.

In our principal objectives of training and forming students for Christian ministry we are of course serving the wider church. Those leaving the college go on to a variety of ministries, chaplaincies and pioneering roles within the UK in many different contexts.

The college serves in other ways too such as by staff serving on The BU Core Leadership Team, BU Council, Mission Forum, The Whitley Committee and input on specific issues. Alongside this are contributions to the editing or writing of articles for Christian publications, speaking at conferences, seminars and workshops as well as preaching commitments although these have been somewhat curtailed due to Covid-19.

E. Financial Review

Pensions

We are committed to enabling all staff to save for their retirement. Directly employed staff are, unless otherwise requested, automatically enrolled in the Baptist Pension Scheme, details of which can be found in note 1.4 of the accounts. An equivalent sum is included in secondment agreements for seconded staff to enable them to continue with their existing pension arrangements.

Pay Policy for Senior Staff

Staff pay is agreed by the Governing Body. Remuneration for senior staff is based on role, experience and performance. Following last year's review of our remuneration policy future increments are based on a percentage of the Baptist Union of Great Britain's standard stipend.

F. Reserves policy

Total funds as at 31 August 2020 stood at £6,057,386 (2019: £6,302,815). Of these, £5,768,027 (2019: £5,802,218) related to restricted funds and £421,926 (2019: £426,178) to fixed assets. £2,954 (2019: £2,954) remains designated for College Library use. Of the balance, £1,040,000 (2019: £1,040,000) was held in investments not readily convertible to liquid funds, leaving a free reserves figure of a deficit of £1,175,521 (2019: £968,537 deficit).

Clearly, this position is untenable moving forward. At their June 2020 meeting, Governors agreed to move to a total return basis in accounting for endowments. At the January 2021 Board Meeting, it was agreed that the Trust for Investment of the Bennett Reddihough endowments should be set at £2,000,426, representing the probate figure of £3,026,926, less £26,500 of specific bequests and less a further £1m which the Charity Commission authorised to be spent in November 2012.

All monies over and above this figure will be treated as an unallocated investment reserve.

However, trustees agreed that it is desirable to preserve the original value of the endowment and agreed that this should be set at the value of the Trust for Investment plus an allowance of 110% for inflation. Thus, trustees will treat the figure of £4,200,895 as the original value of the endowment.

Over a five-year, rolling period, trustees will aim to preserve this value in line with the Retail Prices Index measure of inflation.

G. Funds and Investment Policy

There is no hiding the fact that the second half of this year has been extremely challenging for our investment managers, Cazenove.

The original portfolio target was a return of inflation plus 4% over a rolling period of 5 years with an income target of 3.5%. In the year to August 2020, this produced income of £149k, however, following the market falls caused by the Covid-19 epidemic and in particular the anticipated reduction in dividend payments, it was estimated that this would drop to £115k in the year to August 2021.

At the Board meeting in June 2020, the decision was taken to move to Cazenove's Responsible Multi-Asset Fund which operates on a total return basis. Once the transition has been completed, we have set a total return distribution goal of 4%. It is anticipated that this will produce a return of £180k, as well as having significantly reduced management fees.

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At year end, the portfolio value stood at £4,530,540 which represents a fall of 6.5% from the previous year. Governors continue to monitor this position closely. Post-year end, there are some early signs of, albeit fragile, recovery. In the six months to October 2020, the portfolio produced a positive return of 5.6%.

Although taking place after year end, as disclosed in Note 12 to the accounts, governors have now agreed to move to a Total Returns Approach to managing the endowments.

In the year to August 2020, we delivered an in-year deficit of £61k. The budget for 2021 shows a projected deficit of £86k. Governors have already agreed in-principle support for Luther King House. If this is required, it will need to be drawn down in addition to that figure.

We strongly believe that the Total Returns Approach will give us the flexibility to weather the financial storm as we emerge from the global pandemic.

H. Going Concern

With an unallocated investment reserve of £1,177,255 over and above the original value of the Bennett Redihough endowments, trustees are reassured that NBC is able to weather the short-term financial storm. In addition to the budget, agreed by the board, a second, contingency budget has also been prepared under which the annual deficit may increase to some £114k. Even were this to double, NBC would have five years to address its financial strategy – and would still have unallocated reserves over and above the Trust for Investment figure. Furthermore, NBC owns a majority stake in the property of Luther King House which, under this ‘worst-case scenario’ could be liquidated to provide additional income.

Under the circumstances, trustees have no hesitation in confirming that Northern Baptist College remains a Going Concern.

I. Plans for future Periods

2019 marked the end of the five-year strategy that Governors agreed in November 2014. As mentioned above, the planned strategic review was impacted by Covid-19. However, this is now underway, and a revised strategy will be agreed during the year to August 2021. A draft will be brought to Governors in February 2021, with a final version being agreed at the June 2021 meeting. This review will include continuing to work on the long-term financial stability of the college, building on work we will do this year around moving our investment portfolio to a Total Return Approach.

It is not anticipated that this will include any fundamental change to the “Hub” model of partnership with other organisations. In particular, in June 2020, governors expressed their support for the Luther King House Educational Partnership by agreeing a package of measures to support the trust through the Covid-related financial difficulties. This included a willingness to work with Northern College (URC) to provide loans of up to £150k in the financial year 2020-21. It seems likely that this provision will be required and trustees are working to ensure that this does not have any detrimental effect on cash flow.

The review will include implementing and monitoring the changes agreed to the Baptist Leadership Programme and continuing our work to develop Edifi, our blended learning programme for local leaders. The 3 year review our partnership with St. Hild is underway and we look forward to expanding the intake of students for our new hub at the Light Project College. At the October 2020 governors’ meeting which commissioned the review, Governors strongly affirmed a direction of travel which highlights NBC’s distinctively evangelical and radical tradition. In particular, governors affirmed the work of the college in developing safeguarding resources for churches supporting LGBT+ people.

J. Statement of the Trustees Responsibilities.

The Charity trustees (who are also the directors of Northern Baptist College for the purposes of company law) are responsible for preparing a trustees’ annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources, including the 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 in the Charities SORP;

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Annual Report of the Trustees for the Year to 31 August 2020

- 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 charity will be able to continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and to 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.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Charity governance code

NBC Governors have adopted the Charity Governance Code for small charities. The governors are clear about the charity's aims and monitor and review vision and strategy on a 5-yearly cycle. In recent years we have made significant changes to our governing body to ensure that it has the right skills and experience represented on it and provides strategic leadership. The governing body acts according to the Nolan principles of public life. The governing body are aware of key risks and review these regularly. The Governing body are keenly aware of issues of diversity for example this year we introduced a new statement of principles around gender, sexuality and safeguarding. We seek to be open and accountable in our work. As part of this our senior students who are appointed by the student body have an open invitation to Governing Body meetings and provide a report to each meeting. This year in response to students questions we have produced a detailed report on the college finances for students, which practise will be incorporated into the college's reporting cycle.

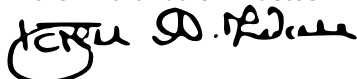
K. Disclosure of Information to the Auditors

In so far as the trustees are aware at the time of approving our trustees' annual report:

- There is no relevant audit information, being information needed by the auditor in connection with preparing their report, of which the Charity's auditor is unaware; and
- The trustees, having made enquiries of fellow directors and the auditor that they ought to have individually taken, have each taken all steps and he/she is obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies act 2006.

By order of the trustees
Karen Martindale - Trustee



DATE: 14 April 2021

NORTHERN BAPTIST COLLEGE

Independent Auditor's Report to the Members of Northern Baptist College

Opinion

We have audited the financial statements of Northern Baptist College for the year ended 31 August 2020 which comprise Statement of Financial Activities, Balance Sheet, Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of our audit

- the information given in the trustees' report, which includes the directors' report prepared for the

NORTHERN BAPTIST COLLEGE

Independent Auditor's Report to the Members of Northern Baptist College

purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the trustees' report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 11, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

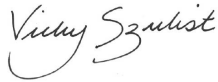
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

NORTHERN BAPTIST COLLEGE

Independent Auditor's Report to the Members of Northern Baptist College

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Vicky Szulist

Senior Statutory Auditor

For and on behalf of

Crowe U.K. LLP

Statutory Auditor

The Lexicon

Mount Street

Manchester

M2 5NT

14th April 2021

NORTHERN BAPTIST COLLEGE

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Income:					
Donations and legacies	3	2,304	-	2,304	18,037
<i>Income from charitable activities:</i>					
Operation of ministerial training college	4	172,217	-	172,217	144,748
Investment income	5	8,978	148,728	157,706	183,091
Total income		201,499	148,728	350,227	345,876
Expenditure					
<i>Expenditure on charitable activities</i>					
Operation of ministerial training college	6	412,737	-	412,737	421,867
Total expenditure		412,737	-	412,737	421,867
Net (expenditure)/income before transfers and gains for the year	9	(211,238)	148,728	(62,510)	(75,991)
Transfers between funds		-	-	-	-
Other recognised gains/losses:					
Net gains/(losses) on investments	12	-	(182,919)	(182,919)	118,869
Net (expenditure)/income and net movement in funds for the year		(211,238)	(34,191)	(245,429)	42,878
Reconciliation of funds					
Total funds brought forward		500,597	5,802,218	6,302,815	6,259,937
Total funds carried forward at 31 August 2020		289,359	5,768,027	6,057,386	6,302,815

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

All income and expenditure derive from continuing activities.

NORTHERN BAPTIST COLLEGE

BALANCE SHEET

Company No: 573403

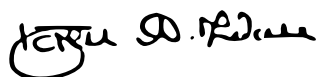
AS AT 31 AUGUST 2020

	Note	2020 £	£	2019 £	£
Fixed assets					
Tangible fixed assets	11	421,926		426,178	
Fixed assets investments	12	5,570,540		5,887,330	
Total Fixed Assets		<u>5,992,466</u>		<u>6,313,508</u>	
Current assets					
Debtors	13	61,144		31,960	
Cash at bank and in hand		99,226		65,880	
		<u>160,370</u>		<u>97,840</u>	
Creditors: amounts falling due within one year	14	<u>(25,484)</u>		<u>(29,913)</u>	
Net current assets			<u>144,795</u>		<u>67,927</u>
Creditors: amounts falling due after more than one year	15		<u>(69,966)</u>		<u>(78,620)</u>
Total net assets			<u>6,057,386</u>		<u>6,302,815</u>
Funds of the charity					
Unrestricted funds	16	289,359		500,597	
Restricted funds	17	5,768,027		5,802,218	
Total Charity funds		<u>6,057,386</u>		<u>6,302,815</u>	

These financial statements are prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the company.

The notes at pages 18 to 30 form part of these accounts.

The financial statements were approved by the Governing Body on 14 April 2021 and signed on its behalf by:



Karen Martindale
Trustee

NORTHERN BAPTIST COLLEGE

CASH FLOW STATEMENT FOR THE YEAR ENDED AT 31 AUGUST 2020

	2020 £	2019 £
Net income for the year	(245,429)	42,878
Investment income	(157,706)	(183,091)
Depreciation	5,545	5,533
Net gains/(losses) on investments	182,919	(118,869)
(Increase)/decrease in debtors	(29,184)	925
Increase/(decrease) in creditors	(13,083)	(17,257)
Net cash flow from operating activities	(256,938)	(269,881)
Cash flows from investing activities		
Investment income	157,706	183,091
Purchase of fixed assets	(1,293)	(2,443)
Purchase of investments	(3,100,482)	(309,316)
Sale of investments	3,234,353	359,529
Net cash flow from investing activities	290,284	230,860
Increase (decrease) in cash and cash equivalents in the year	33,346	(39,021)
Cash and cash equivalents at the beginning of the year	65,880	104,901
Total cash and cash equivalents at the end of the year	99,226	65,880
Cash and cash equivalents at the end of the year consist of:		
Cash at bank and in hand	99,226	65,880

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

1 Accounting Policies

Northern Baptist College is a private company limited by guarantee, incorporated in England and Wales.

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

1.1 Basis of preparation

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.

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

Northern Baptist College 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 note(s).

1.2 Preparation of the accounts on a going concern basis

The Trustees are seeking a move to Total Return Accounting which current estimates show would provide an unallocated investment reserve of just under £1.2m.

The Covid-19 pandemic continues to impact operations but the Charity has been able to continue delivery remotely. Current forecasts show a small deficit for future years but investment returns are expected to increase following the shock to markets in 2020. Different scenarios have been forecast which shows that the Trustees have a number of years to address this issue.

As such the Trustees consider that the Charity is a going concern for the foreseeable future with no material uncertainties.

1.3 Income recognition

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

Most student course fees are invoiced at the beginning of the academic year and are receivable then.

Unsolicited donations are accounted for when received. For legacies, entitlement is taken at the earliest of

- the date on which the Charity is aware that probate has been granted;
- the estate has been finalised and notification has been made by the executor(s) to the Charity that a distribution will be made; or
- when a distribution is received from the estate.

Other income is accounted for on a receivable basis.

Interest on funds held on deposit is included upon notification of the interest paid or payable by the deposit taker. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by our Investment manager of the dividend yield of the investment portfolio.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1.4 Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to that category.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Allocation of governance costs

Governance costs are those costs associated with charity governance requirements and which relate to the general running of the organisation.

Staff pensions

The charitable company is an employer participating in the Baptist Pension Scheme ("the BPS") and prior to the current year end was also participating in the Baptist Union Staff Pension Scheme ("the BUSPS"). The BUSPS has now wound up but was also a separate legal entity administered by the Pension Trustee.

From January 2012, pension provision for the Co-Principals is being made through the Defined Contribution (DC) Plan within the BPS. In general, members pay 8% of their Pensionable Income and employers pay 6% of members' Pensionable Income into individual pension accounts. In addition, the employer pays a further 4% of Pensionable Income (or 3% if the employer is in the segregated DC section) to cover Death in Service Benefits, administration costs, and an associated insurance policy which provides Income protection for BPS members in the event that they are unable to work due to long-term incapacity. This income protection policy has been insured by the Baptist Union of Great Britain with Aviva. Members of the Basic Section of BPS pay reduced contributions of 5% of Pensionable Income, and their employers also pay a total of 5%.

Benefits in respect of service prior to 1 January 2012 are provided through the Defined Benefit (DB) Plan within the BPS, or through the BUSPS prior to its wind-up. The main benefits were:

- In the BPS, 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; and
- In the BUSPS, a pension of one seventieth of a member's average salary over the last three years of pensionable service.

The BPS, previously known as the Baptist Ministers' Pension Fund, started in 1925 and the BUSPS started in 1969. Both schemes were closed to future accrual of defined benefits on 31 December 2011. The BUSPS completed winding-up on 18 September 2019.

The table below summarises the main results of the most recent actuarial valuations of the Defined Benefit (DB) Plan in the BPS. These valuations were performed by a professionally qualified Actuary using the Projected Unit Method.

BPS DB Plan

Date of valuation	31/12/2019
Date of next valuation (currently under preparation)	31/12/2022
Market value of scheme assets (A)	£298m
Technical provisions (B)	£316m
Deficit [(B) - (A)]	£18m
Funding level [(A)/(B)]	94%

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

Staff pensions continued

As a result of the valuation, in addition of the contributions to the DC Plan set out above, the following deficiency contributions were agreed:

- For the BPS, the standard rate of deficiency contributions payable remains at previously agreed levels, increasing each year in line with increases in the Minimum Pensionable Income. The deficiency contributions are broadly based on 12% of Pensionable Income/Minimum Pensionable Income, reflecting each employer's contributions in March 2015. Some employers that were involved in the DB Plan for a short period pay lower contributions. The Trustee and the Council agreed a 50% reduction for all deficiency contributions payable between 1 July 2020 and 31 December 2020. The current Recovery Plan dated 30 September 2020 envisages deficiency contributions continuing until 30 June 2026.
- For the BUSPS, previously agreed contributions of £759,000 pa (payable from 1 January 2016 and increasing each January in line with RPI inflation) were due until 31 January 2018. Following this, a lump sum payment of £2,734,062 was paid in February 2018 and further contributions were made to ensure the Scheme had sufficient assets to secure the BUSPS benefits in full with an insurer. The total contributions were split between the sponsoring employers in line with their estimated share of BUSPS's liabilities. These significant contributions were part of a plan to wind up the BUSPS. The Scheme formally triggered wind-up on 31 August 2018, and wind-up was completed in September 2019. As part of this, the benefits for BUSPS members who are also active members of the BPS were increased to offset the fact that their BUSPS benefits will no longer increase in future in line with changes in their salary. An additional contribution was also made to the DC Plan within the BPS for members who are yet to retire and have a BPS DC fund. In practice the Association paid money to BUGB in 2018 which was intended to cover all of the Association's outstanding commitments to the BUSPS, and a portion of this money (to the extent it was not required to secure the benefits in full and cover outstanding costs) was returned to the Association by BUGB in 2019.

The key financial assumptions underlying the valuations were as follows:

	BPS	BUSPS
Type of assumption	%pa	%pa
RPI price inflation assumption	3.20	3.45
CPI price inflation assumption	2.70	2.70
Minimum Pensionable Income increases (BPS only)	3.20	n/a
Pensionable Salary increases (BUSPS only)	n/a	3.70
Assumed investment returns		
- pre-retirement	2.95	3.50
- post-retirement	1.70	2.25
Deferred pension increases		
- pre-April 2009	3.20	3.45
- post April 2009	2.50	2.50
Pension increases (BPS main scheme pension and BUSPS pension)		
- pre-April 2006	2.70	3.25
- post April 2006	2.70	2.15

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

Staff pensions continued

As there are numbers of contributing employers participating in both the BPS and the BUSPS, the charitable company is unable to identify its share of the underlying assets and liabilities of the schemes. Accordingly, the profit and loss charge for the period represents the employer contributions payable. The employer contribution for all schemes is taken to the Statement of Financial Activities as incurred.

The next actuarial valuation of the DB Plan within the BPS is due as at 31 December 2022.

1.5 Tangible fixed assets and depreciation

The Charity's policy with regard to fixed assets is to capitalise those with a value over £500. Tangible fixed assets are capitalised at their purchase price together with any incidental expenses of acquisition.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and Buildings	1% straight line
Office equipment	25% and 33.33% on cost

1.6 Fixed asset investments

Investments are initially recognised at their transaction value and subsequently measured at their market value as at the balance sheet date using the closing quoted market price. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

1.7 Debtors

Student debtors are recognised at the settlement amount due. Any losses arising from impairment are recognised in expenditure. Prepayments are valued at the amount prepaid.

1.8 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.

1.9 Creditors

Creditors are recognised where the Charity 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 to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any discounts due.

1.10 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

1.11 Taxation

The company has charitable status and is thus exempt from taxation of its income and gains to the extent that they are applied to its charitable objects.

1.12 Fund accounting

Unrestricted funds are donations and other incoming resources which are available for use at the discretion of the trustees in furtherance of the objects of the charity without further specified purpose and which have not been designated for other purposes.

Restricted funds are subject to restrictions on their expenditure imposed by the donor. Expenditure which meets this criterion is charged to the fund together with a fair allocation of overhead costs.

Judgements in applying accounting policies and key sources of estimation uncertainty

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Impairment of debtors

The charity makes an estimate of the recoverable amount of trade and other debtors. When assessing the impairment of trade and other debtors, the management team considers factors including the financial strength and ageing profile of the debtors and historical experience. The net carrying amount of the debtors is set out at Note 13.

Baptist Pension Scheme

The costs of the BPS deficit recovery plans have been estimated based on the net present value of future payments, discounted at a rate equivalent to that of a high quality corporate bond. The scheme actuary reviews the funding of the plan annually and undertakes a formal actuarial valuation every three years, at which time the deficit recovery plan may be amended.

2 Legal status of the Charity

The Charity is a company limited by guarantee and has no share capital. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the Charity.

NORTHERN BAPTIST COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

3 Income from donations and legacies

	2020 £	2019 £
Gifts	20,304	17,437
Legacies	-	600
	<u>20,304</u>	<u>18,037</u>

4 Income from charitable activities

	2020 £	2019 £
Student fees	159,490	132,384
Conference Income	12,727	12,364
	<u>172,217</u>	<u>144,748</u>

5 Investment income

	2020 £	2019 £
Listed investments	148,605	165,235
Loan Interest	6,153	9,200
Property income	2,825	8,530
Bank and other interest	123	126
	<u>157,706</u>	<u>183,091</u>

Of the £157,706 received in 2020 (2019: £183,091), £148,728 was restricted funds (2019: £165,361) and £8,978 was unrestricted funds (2019: £17,730).

NORTHERN BAPTIST COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

6 Analysis of expenditure on charitable activities

	2020 £	2019 £
Other costs relating to charitable activities comprise:		
Staff costs (see note 10)	177,823	222,718
Tutorial fees and expenses	34,047	12,082
Academic fees	41,095	33,360
College bloc charge – Luther King House Educational Trust	34,000	34,000
Conference expenses	11,802	19,588
Travelling expenses	5,410	12,638
Catering costs	3,715	7,923
Rates and ground rents	4,192	4,188
Heat and light	2,194	1,596
Insurance	3,015	2,897
Printing, postage, stationery and advertising	1,078	762
Telephone	950	921
Books and publications	952	931
Legal and professional fees	837	1,115
Bookkeeping and payroll fees	9,897	11,067
Repairs and renewals	6,515	6,028
Provision for unpaid student fees	4,759	(8,683)
Student bursaries	23,243	12,000
Sundry expenses	6,007	4,008
Bank charges	295	300
Depreciation of tangible fixed assets	5,545	5,533
	377,371	384,972

7 Governance costs

	2020 £	2019 £
Governance costs comprise:		
Auditors' fees	5,150	6,000
Trustee meeting costs	54	-
	5,204	6,000

8 Support costs

	2020 £	2019 £
Support costs comprise:		
Portfolio Management fees	30,162	30,895
	30,162	30,895

9 Net income/(expenditure) for the year

	2020 £	2019 £
This is stated after charging:		
Depreciation of tangible fixed assets	5,545	5,533
Auditors' remuneration	5,150	6,000

NORTHERN BAPTIST COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

10 Analysis of staff costs and trustee expenses

The key management personnel of the College are Rev Clare McBeath and Rev Glen Marshall who acted as College Co-Principals during the period and their joint remuneration for the year to 31 August 2020 was £93,403 (2019: £89,729). Although trustees of the college the Co-Principals are remunerated as employees.

None of the trustees or persons connected with them have received or obtained any remuneration or other financial benefits for the year either directly or indirectly from the funds of Northern Baptist College. During the year, travel expenses were reimbursed to 4 trustees. The aggregate amount of expenses paid was £1,576 (2019: £886).

Staff costs

	2020 £	2019 £
Salaries	152,079	145,972
Social security costs	11,166	11,621
Pension contributions	14,578	65,045
	177,823	222,718

The average number of employees during the year, calculated on the basis of full-time equivalents, was as follows:

	Number	Number
Ministerial training	3	3
Support staff	1	1
	4	4

NORTHERN BAPTIST COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

11. Tangible fixed assets

	Freehold Property £	Office Equipment £	Total £
<i>Cost</i>			
At 1 September 2019	442,009	12,892	454,901
Additions	-	1,293	1,293
At 31 August 2020	442,009	14,185	456,194
<i>Depreciation</i>			
At 1 September 2019	17,680	11,043	28,723
Charge for the year	4,418	1,127	5,545
At 31 August 2020	22,098	12,170	34,268
<i>Net book value</i>			
At 31 August 2020	419,911	2,015	421,926
At 31 August 2019	424,329	1,849	426,178

12. Fixed asset investments

	2020 £	2019 £
Investment portfolio – Cazenove Capital Management	4,530,540	4,847,330
Stake in Luther King House Educational Trust	1,040,000	1,040,000
	5,570,540	5,887,330
<i>Investment portfolio</i>		
At 1 September 2019	4,847,330	4,778,673
Additions	3,100,482	309,316
Disposal proceeds	(3,234,353)	(359,528)
	4,713,459	4,728,461
Revaluation as at 31 August 2020	(182,919)	118,869
	4,530,540	4,847,330
The investment portfolio comprises:		
UK listed investments	2,305,472	2,811,899
Overseas listed investments	2,225,068	2,035,431
	4,530,540	4,847,330

NORTHERN BAPTIST COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

The following investments exceed 5% of the investment portfolio:

Royal London Ethical Bond Fund	885,895	18.27%
Charities Property Fund	389,188	8.03%

Stake In Luther King House Educational Trust

The Charity was a founder member of Luther King House Educational Trust (LKHET) in September 2000. As part of the financial basis for Luther King House Educational Trust, the Charity transferred cash of £50,000 and the land and buildings at Luther King House to a charity called Luther King House Property Trust under a Charity Commission Scheme dated 27 June 2002. At the date of transfer, the land and buildings were valued at £700,000.

Under the terms of the Luther King House Property Trust, as a founder member of LKHET, the Charity has rights in relation to the disposal of the assets of the Property Trust in the event of its dissolution. The scheme provides that, under a revision of the scheme, 62.5% of the value of the land and buildings will be distributed to the Charity. The most recent professional valuation of the property in January 2015 was £3 million.

Luther King House Property trust is now part of Luther King House.

In 2018 and earlier, £290k of the stake in Luther King House Educational Trust was previously presented within debtors. Given the loan is not repayable until the sale of Luther King House and attracts interest.

13 Debtors

	2020	2019
	£	£
Student debtors	57,456	29,305
Prepayments and accrued income	3,778	2,655
Total	61,144	31,960

14 Creditors: amounts falling due within one year

	2020	2019
	£	£
Trade creditors	629	-
Tax and social security	3,699	3,622
Accruals and deferred income	10,630	15,765
Pension liability	10,526	10,526
	25,484	29,913

15 Creditors: amounts falling due after one year

	2020	2019
	£	£
Pension liability	69,966	78,620
	69,966	78,620

The charity is required to make pension deficit contributions to the Baptist Pension Scheme to the value of £10,526 per annum until December 2028. Including within creditors due within one year and after one year is the net present value of these payments using a discount rate equivalent to a high-quality corporate bond – 2.1% (2019: 2.1 %). The total pension liability as at 31 August 2020 was £80,492 (2019: £89,146).

NORTHERN BAPTIST COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

16 Unrestricted funds

	Balance at 1 September 2019	Incoming Resources	Expenditure incurred	Gains/ (losses) and transfers	Balance at 31 August 2020
	£	£	£	£	£
General Funds	497,643	201,499	(412,737)	-	286,405
College Library Fund	2,954	-	-	-	2,954
	<u>500,597</u>	<u>201,499</u>	<u>(412,737)</u>	<u>-</u>	<u>289,359</u>

	Balance at 1 September 2018	Incoming Resources	Expenditure incurred	Gains/ (losses) and transfers	Balance at 31 August 2019
	£	£	£	£	£
General Funds	583,244	180,515	421,867	155,751	497,643
College Library Fund	2,954	-	-	-	2,954
	<u>586,198</u>	<u>180,515</u>	<u>421,867</u>	<u>155,751</u>	<u>500,597</u>

17 Restricted funds

	Balance at 1 September 2019	Income/ (expenditure)	Gains/ (losses) and transfers	Balance at 31 August 2020
	£	£	£	£
Bennett/Reddihough Capital Funds	5,412,341	139,641	(171,749)	5,380,233
Property Trust	295,991	9,074	(11,170)	293,895
Scholarship and Prize Fund	93,886	13	-	93,899
	<u>5,802,218</u>	<u>148,728</u>	<u>(182,919)</u>	<u>5,768,027</u>

NORTHERN BAPTIST COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

Investment income received on restricted funds is transferred to the unrestricted funds account as there is no restriction placed on this income.

The Bennett/ Reddihough capital funds are a permanent endowment made in the early 1990s the terms of which mean that we can use the income earned but the original capital has to be preserved. The Property Trust and Scholarship and Prize Fund are historic restricted funds.

	Balance at 1 September 2018 £	Income/ (expenditure) £	Gains/ (losses) and transfers £	Balance at 31 August 2019 £
Bennett/Reddihough Capital Funds	5,293,472	155,751	274,620	5,412,341
Property Trust	286,397	9,594	-	295,991
Scholarship and Prize Fund	93,870	16	-	93,886
	5,673,739	165,361	274,620	5,802,218

Funds referred to in these financial statements and previous financial statements as the Bennett/Reddihough Capital Funds are in fact endowed funds.

Post year end, the Board have agreed to undertake total return accounting. The original Trust for investments of the Bennett & Reddihough funds is estimated at £3,000,426 excluding Craven Manor Farm at Farnhill. In 2012, the Charity Commission permitted a transfer of £1m of the endowed funds to unrestricted funds for charitable purposes. The remaining Trust for investment of £2,000,426 when compared to the asset value of £5.380m leaves an unapplied investment return of £3.380m to be utilised by the Trustees.

The Trustees are developing a total return policy which will enable them to preserve the value of the bequest in real terms and address the interfund lending as noted in note 18.

18 Analysis of net assets between funds

Fund balances at 31 August 2020 are represented by:	Unrestricted Funds £	Restricted Funds £	Total £
Tangible assets	421,926	-	421,926
Fixed assets investments	1,040,000	4,530,540	5,570,540
Debtors	61,144	-	61,144
Cash at bank and in hand	(1,138,261)	1,237,487	99,226
Creditors: amounts falling due within one year	(25,484)	-	(25,484)
Creditors: amounts falling due after one year	(69,966)	-	(69,966)
Total net assets	289,350	5,768,027	6,057,386

NORTHERN BAPTIST COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

Fund balances at 31 August 2019 are represented by:	Unrestricted Funds	Restricted Funds	Total
	£	£	£
Tangible assets	426,178	-	426,178
Fixed assets investments	1,040,000	4,847,330	5,887,330
Debtors	31,960	-	31,960
Cash at bank and in hand	(889,008)	954,888	65,880
Creditors: amounts falling due within one year	(29,913)	-	(29,913)
Creditors: amounts falling due after one year	(78,620)	-	(78,620)
Total net assets	500,597	5,802,218	6,302,815

19 Related party transactions

Pension deficit payments in respect of trustee pension contributions for two Trustees were £7,472.

Included in investments is a loan of £60,000 (2019: £60,000) and included in investments is a loan of £230,000 (2019: £230,000), both to Luther King House Educational Trust (LKHET). These loans are repayable when LKHET has funds available or on the dissolution of LKHET. Interest is payable at 1% below base rate on the £60,000 loan and at the daily rate set by the Charities Aid Foundation for its COIF units, collared at 4%, for the £230,000 loan. The total interest received during the year was £6,153 (2019: £9,200). During the year, LKHET also made sales to the Charity of £80,075 (2019: £91,921). At the year end the Charity owed £nil (2019: £328) to LKHET.