



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

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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.

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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

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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.

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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.

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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

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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.

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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

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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.

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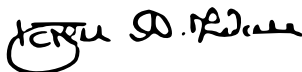
We are aware that the Charity Commission made changes to the Code in 2020, but did not feel it was opportune to discuss these whilst meeting electronically. A full review of our compliance with the code is underway, but will not report to trustees until 2023.

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

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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

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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.

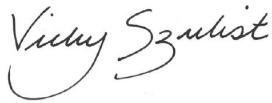
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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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

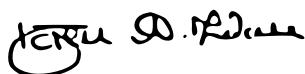
AS AT 31 AUGUST 2022

	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.