



**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 31<sup>st</sup> 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:

<b>Karen Martindale</b>		Chair of Governors
<b>Clara Rushbrook</b>		College Co-Principal
<b>Glen Marshall</b>		College Co-Principal
<b>Neil Brighton</b>		Treasurer
Wayne Clarke	(Resigned 1/12/2022)	
<b>Richard Lewis</b>		
<b>Jacquie Osmund-Smith</b>		
<b>Christopher Upton</b>		
<b>Luke Dowding</b>		
Catriona Gorton	(Appointed 1/12/2022 – Resigned 31/8/2023)	
<b>Mark Janes</b>	(Appointed 1/12/2022)	

#### **Registered office**

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

#### **Auditors**

Crowe U.K. LLP, 3<sup>rd</sup> 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.

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.

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**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

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### **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.

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## **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.

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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.



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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.

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### **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.

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**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: 4<sup>th</sup> 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

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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 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

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### **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](http://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 £
<b>Income:</b>						
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
<b>Total income</b>		<b>166,922</b>	<b>-</b>	<b>204,117</b>	<b>371,039</b>	<b>424,978</b>
<b>Expenditure</b>						
<i>Expenditure on charitable activities</i>						
Operation of ministerial training college	6	463,599	-	-	463,599	369,811
<b>Total expenditure</b>		<b>463,599</b>	<b>-</b>	<b>-</b>	<b>463,599</b>	<b>369,811</b>
<b>Net (expenditure)/income before transfers and gains for the year</b>	9	<b>(296,677)</b>	<b>-</b>	<b>204,117</b>	<b>(92,560)</b>	<b>55,167</b>
<b>Transfers between funds</b>		-	-	-	-	-
<b>Other recognised gains/losses:</b>						
Net gains/(losses) on investments	12	-	-	(189,533)	(189,533)	(307,692)
<b>Net (expenditure)/income and net movement in funds for the year</b>		<b>(296,677)</b>	<b>-</b>	<b>14,584</b>	<b>(282,093)</b>	<b>(252,525)</b>
<b>Reconciliation of funds</b>						
Total funds brought forward		1,003,828	411,351	5,142,904	6,558,083	6,810,608
<b>Total funds carried forward at 31 August 2023</b>		<b>707,151</b>	<b>411,351</b>	<b>5,157,488</b>	<b>6,275,990</b>	<b>6,558,083</b>

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 £	£
<b>Fixed assets</b>					
Tangible fixed assets	11	411,588		412,620	
Fixed assets investments	12	5,755,123		5,967,686	
<b>Total Fixed Assets</b>		<b>6,166,711</b>		<b>6,310,306</b>	
<b>Current assets</b>					
Debtors	13	50,806		61,790	
Cash at bank and in hand		75,121		129,201	
		125,927		190,991	
<b>Creditors: amounts falling due within one year</b>	14	<b>(16,648)</b>		<b>(13,214)</b>	
<b>Net current assets</b>		<b>109,279</b>		<b>177,777</b>	
<b>Total net assets</b>		<b>6,275,990</b>		<b>6,558,083</b>	
<b>Funds of the charity</b>					
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	
<b>Total Charity funds</b>		<b>6,275,990</b>		<b>6,558,083</b>	

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)
<b>Net cash flow from operating activities</b>	<b>(286,781)</b>	<b>(145,488)</b>
<b>Cash flows from investing activities</b>		
Investment income	215,039	202,380
Purchase of fixed assets	(5,368)	-
Purchase of investments	-	-
Sale of investments	23,030	17,000
<b>Net cash flow from investing activities</b>	<b>232,701</b>	<b>219,380</b>
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
<b>Total cash and cash equivalents at the end of the year</b>	<b>75,121</b>	<b>129,201</b>
<b>Cash and cash equivalents at the end of the year consist of:</b>		
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

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### 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**

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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

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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

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### 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
	<b>18,750</b>	<b>19,158</b>



# 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
	<b>447,189</b>	<b>353,186</b>

### 7 Governance costs

	2023 £	2022 £
Governance costs comprise:		
Auditors' fees	7,860	7,420
	<b>7,860</b>	<b>7,420</b>

### 8 Support costs

	2023 £	2022 £
Support costs comprise:		
Portfolio Management fees	8,550	9,205
	<b>8,550</b>	<b>9,205</b>

### 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)
	<b>222,716</b>	<b>133,501</b>

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
	<b>8</b>	<b>6</b>

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

	Freehold Property £	Office Equipment £	Total £
<i>Cost</i>			
At 1 September 2022	442,009	18,443	460,452
Additions		5,368	5,368
At 31 August 2023	<b>442,009</b>	<b>23,811</b>	<b>465,820</b>
<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	<b>35,358</b>	<b>18,874</b>	<b>54,232</b>
<i>Net book value</i>			
At 31 August 2023	<b>406,651</b>	<b>4,937</b>	<b>411,588</b>
At 31 August 2022	<b>411,071</b>	<b>1,549</b>	<b>412,620</b>

### 12. Fixed asset investments

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

## NORTHERN BAPTIST COLLEGE LIMITED

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

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#### *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**

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

#### **14 Creditors: amounts falling due within one year**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Trade creditors	<b>1,610</b>	2,540
Accruals and deferred income	<b>15,038</b>	10,674
Pension liability	-	-
	<b>16,648</b>	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
	<b>1,003,828</b>	<b>166,922</b>	<b>(463,599)</b>	<b>-</b>	<b>707,151</b>

  

	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
	<b>1,170,435</b>	<b>226,759</b>	<b>(369,811)</b>	<b>(23,555)</b>	<b>1,003,828</b>

### 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
	<b>411,351</b>	<b>-</b>	<b>-</b>	<b>411,351</b>
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
	<b>387,796</b>	<b>-</b>	<b>23,555</b>	<b>411,351</b>
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	-	-	<b>411,588</b>
Fixed assets investments	1,040,000	-	4,715,123	<b>5,755,123</b>
Debtors	50,806	-	-	<b>50,806</b>
Cash at bank and in hand	(778,595)	411,351	442,365	<b>75,121</b>
Creditors: amounts falling due within one year	(16,648)	-	-	<b>(16,648)</b>
<b>Total net assets</b>	<b>707,151</b>	<b>411,351</b>	<b>5,157,488</b>	<b>6,275,990</b>
 Fund balances at 31 August 2022 are represented by:	 Unrestricted Funds	 Restricted Funds	 Endowed Funds	 Total
	£	£	£	£
Tangible assets	412,620	-	-	<b>412,620</b>
Fixed assets investments	1,040,000	-	4,927,685	<b>5,967,685</b>
Debtors	61,791	-	-	<b>61,791</b>
Cash at bank and in hand	(497,369)	411,351	215,219	<b>129,201</b>
Creditors: amounts falling due within one year	(13,214)	-	-	<b>(13,214)</b>
<b>Total net assets</b>	<b>1,003,828</b>	<b>411,351</b>	<b>5,142,904</b>	<b>6,558,083</b>

## NORTHERN BAPTIST COLLEGE LIMITED

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

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

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.