



NORTHERN BAPTIST COLLEGE LIMITED
(a company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

Charity Registration Number: 1108216
Company Registration Number: 573403

NORTHERN BAPTIST COLLEGE LIMITED

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2024

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

The trustees are pleased to present their annual directors' report together with the audited financial statements of the Charity for the year ended 31st August 2024, which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard application in the UK and Republic of Ireland (FRS 102) (effective 2019).

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

Directors and trustees

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

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

Registered office

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

Auditors

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

Bankers

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

Investment managers

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

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B. Structure, Governance and Management

Governing Document

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

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

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

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

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

Recruitment and Appointment of trustees

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

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

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Trustee induction and training

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

Organisational Structure

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

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

Risk Management

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

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

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

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

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

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

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

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

Fundraising

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

C. Objectives and Activities

Objects of the Charity

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

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

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

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

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

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

Public benefit statement

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

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

Grant Making Policy

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

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

D. Achievements and performance

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

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weekends through NBC.

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

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

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

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

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

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

2. To develop our work with pioneers and chaplains

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

3. To develop and expand online learning opportunities

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

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

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

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

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

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

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

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

E. Financial Review

Pensions

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

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

Pay Policy for Senior Staff

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

F. Reserves policy

NBC accounts for its reserves on a Total Returns Basis.

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

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

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

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

G. Funds and Investments

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

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

H. Plans for future Periods

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

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

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

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

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

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

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

I. Going Concern

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

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

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

J. Statement of the Trustees Responsibilities.

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

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

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will be able to continue in business.

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

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

Charity governance code

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

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

K. Disclosure of Information to the Auditors

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

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

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



By order of the trustees
Richard Lewis – Chair of Trustees

DATE: 20/3/25

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

Opinion

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

In our opinion, the financial statements:

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

Basis for opinion

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

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

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

Other information

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

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

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

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

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

Audit procedures performed by the engagement team included:

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

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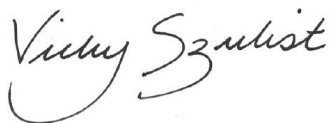
- Review of minutes of board meeting throughout the period;

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

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

Use of our report

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



Vicky Szulist

Senior Statutory Auditor

For and on behalf of

Crowe U.K. LLP

Statutory Auditor

3rd Floor

56 Peter St

Manchester

M2 3NQ

9 April 2025

NORTHERN BAPTIST COLLEGE LIMITED

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

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

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

All income and expenditure derive from continuing activities.

NORTHERN BAPTIST COLLEGE LIMITED

BALANCE SHEET

Company No: 573403

AS AT 31 AUGUST 2024

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

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

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

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



Richard Lewis
Chair of Trustees

NORTHERN BAPTIST COLLEGE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED AT 31 AUGUST 2024

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

NORTHERN BAPTIST COLLEGE LIMITED

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

1 Accounting Policies

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

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

1.1 Basis of preparation

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

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

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

1.2 Preparation of the accounts on a going concern basis

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

1.3 Income recognition

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

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

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

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

Other income is accounted for on a receivable basis.

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

NORTHERN BAPTIST COLLEGE LIMITED

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

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

1.4 Expenditure recognition

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

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

Allocation of governance costs

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

Staff pensions

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

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

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

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

The Minister(s) are eligible to join the Scheme.

Actuarial valuation as at 31 December 2019

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

NORTHERN BAPTIST COLLEGE LIMITED

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

The key financial assumptions underlying the valuation were as follows

Type of assumption	% p.a.
RPI price inflation assumption	3.20
CPI price inflation assumption	2.70
Minimum Pensionable Income Increase Adjustment (above CPI)	0.50
Pre-retirement assumed investment returns (gilt yield plus 1.75% pa)	2.95
Post retirement assumed investment returns (including benefits matched by the insurance policy) (gilt yield plus 0.5% pa)	1.70
Minimum Pensionable Income increases (CPI plus 0.5%)	3.20
Deferred pension increases (based on RPI)	
Pre April 2009	3.20
Post April 2009	2.50
Pension increases	
Based on CPI with an annual floor of 0% and annual cap of 5%	2.70

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

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

Recovery Plan

In addition to the contributions to the DC Plan set out above, where a valuation of the DB Plan reveals a deficit the Trustee and the Council agree to a rate of deficiency contributions from churches and other employers involved in the DB Plan. Following the 2019 valuation a Recovery Plan was signed in September 2020 under which deficiency contributions were payable until June 2026.

On 30th June 2022 the Baptist Pension Scheme signed an agreement with the insurance company Just Group ("Just") to secure DB Plan members' pension benefits. Just are now providing financial backing for all pensions provided through the Scheme's DB Plan and, following this transaction, the Scheme no longer has a shortfall. An updated Recovery plan was then signed in August 2022 under which recovery contributions from each participating employer in the DB Plan reduced to £1 per month from August 2022. These contributions are payable under the recovery plan until June 2026. The outstanding deficiency contributions due under the Recovery Plan are not considered material and therefore have not been included in the balance sheet

1.5 Tangible fixed assets and depreciation

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

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

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

NORTHERN BAPTIST COLLEGE LIMITED

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

1.6 Fixed asset investments

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

1.7 Debtors

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

1.8 Cash at bank and in hand

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

1.9 Creditors

Creditors are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any discounts due.

1.10 Financial instruments

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

1.11 Taxation

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

1.12 Fund accounting

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

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

NORTHERN BAPTIST COLLEGE LIMITED

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

Judgements in applying accounting policies and key sources of estimation uncertainty

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

Impairment of debtors

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

2 Legal status of the Charity

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

3 Income from donations and legacies

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

4 Income from charitable activities

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

NORTHERN BAPTIST COLLEGE LIMITED

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

5 Investment income

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

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

6 Analysis of expenditure on charitable activities

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

7 Governance costs

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

NORTHERN BAPTIST COLLEGE LIMITED

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

8 Support costs

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

9 Net income/(expenditure) for the year

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

10 Analysis of staff costs and trustee expenses

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

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

Staff costs

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

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

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

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

NORTHERN BAPTIST COLLEGE LIMITED

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

11. Tangible fixed assets

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

12. Fixed asset investments

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

NORTHERN BAPTIST COLLEGE LIMITED

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

Stake In Luther King House Educational Trust

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

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

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

13 Debtors

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

14 Creditors: amounts falling due within one year

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

NORTHERN BAPTIST COLLEGE LIMITED

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

15 Unrestricted Funds

	Balance at 1 September 2023 £	Incoming Resources £	Expenditure incurred £	Gains/ (losses) and transfers £	Balance at 31 August 2024 £
General Funds	694,197	174,648	(529,860)	(5,000)	333,985
College Library Fund	2,954	-	-	-	2,954
Discretionary Hardship Fund	10,000	-	-	5,000	15,000
	<u>707,151</u>	<u>174,648</u>	<u>(529,860)</u>	<u>-</u>	<u>351,939</u>
	Balance at 1 September 2022 £	Incoming Resources £	Expenditure incurred £	Gains/ (losses) and transfers £	Balance at 31 August 2023 £
General Funds	1,000,874	166,922	(463,599)	(10,000)	694,197
College Library Fund	2,954	-	-	-	2,954
Discretionary Hardship Fund	-	-	-	10,000	10,000
	<u>1,003,828</u>	<u>166,922</u>	<u>(463,599)</u>	<u>-</u>	<u>707,151</u>

16 Restricted & Endowed Funds

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

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

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

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

NORTHERN BAPTIST COLLEGE LIMITED

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

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

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

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

17 Analysis of net assets between funds

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

18 Related party transactions

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

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

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

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

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

NORTHERN BAPTIST COLLEGE LIMITED

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

19 Endowment Fund Investments

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

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