

Company Number: 00181581  
Charity Number: 247173



**THE YORKSHIRE BAPTIST ASSOCIATION  
(A Company Limited by Guarantee)  
TRUSTEES' REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**



# The Yorkshire Baptist Association (Incorporated)

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# **The Yorkshire Baptist Association (Incorporated)**

## **Charity Information**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, submit their report and financial statements for the year ended 31 December 2020.

These financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019) as detailed in the accounting policies.

### **Reference and administrative details of the charity, its trustees and advisors**

Charity name: The Yorkshire Baptist Association (Incorporated)  
Charity registration number 247173  
Company registration number 00181581

### **Registered office and principal operating address**

17-19 York Place, Leeds LS1 2EX

The following trustees have held office since 1 January 2020:

Rev Adenike Adebajo (from 26 January 2021)	Mrs Liz Allen
Mr Chris Bishop	Mr Philip Callow
Mr John Crosse	Miss Charlotte Hendy
Rev Joseph Kapolyo (from 26 January 2021)	Mrs Gill Knowles
Mrs Carol Moore (until 21 May 2020)	Mr Kevin Quinton
Mr Dean Thorpe	Revd Matt Wright (until 29 July 2020)

Our bankers are:	
Yorkshire Bank plc	The Charities Official Investment Fund
94-96 Briggate	80 Cheapside
Leeds LS1 6NP	London EC2V 6DZ

Our auditor is:	Our investments advisers are:
Garbutt & Elliott Audit Limited	LGT Vestra LLP
Chartered Accountants	14 Cornhill
33 Park Place	London EC3V 3NR
Leeds LS1 2RY	

Our solicitors are:  
Thursfields Solicitors  
Neville House  
Steelpark Road  
Halesowen B62 8HD

# **The Yorkshire Baptist Association (Incorporated)**

## **Trustees' Report for the Year ended 31 December 2020**

### **Structure, Governance and Management**

The Yorkshire Baptist Association (YBA) has a governing document which contains our Articles of Association. It was updated in 2014 and accepted by both the Charity Commission and Companies House.

The YBA is served by the Executive (trustees and directors) and by three working groups who are appointed by the Executive: Finance, Ministry and Trust groups. Each working group has a Standing Order which outlines the role of the working group and its areas of work. Each working group reviews their Standing Order annually. The groups report to the Executive on a regular basis as the Executive has overall responsibility for strategy and policies, financial practice and partnership. Copies of the governing document and working group Standing Orders can be provided upon request.

### **Trustees**

Our trustees are nominated by the member churches of the Association in a way that gives balance of representation and meets agreed criteria. Some trustees are co-opted to facilitate good balance. The trustees are also directors of the YBA. Trustees are usually appointed for a three-year term resulting in some stepping down each year. A nomination and appointment process is undertaken in consultation with member churches to seek new trustees. Any changes to trustees during 2020 are shown on page 1. We have adopted a practice of proactively seeking out potential new trustees from amongst our member churches and inviting suitable people to attend 2 or 3 Executive meetings as observers. This enables them to better understand the work of our trustees and directors before they are nominated by their home church or co-opted to the Executive.

Trustees are given a copy of the Association's governing document and the Staff & Trustees Handbook which contains information about their roles and responsibilities. The Handbook includes relevant information from the Charity Commission. The Staffing Support Group (a task group set up by the Executive) has responsibility for reviewing and updating the Handbook which is an iterative document that contains a range of employment policies and other guidance that are updated in accordance with revised legislation and best practice. An away day for the trustees and Regional Ministers is held to provide more time for prayer and discussion for the vision and work of the YBA as distinct from the "business" matters considered during Executive meetings.

### **Association Team**

The Association is served by:

Revd Dr Clive Burnard	Regional Minister
Revd Ann Chesworth	Property & Legal Officer
Revd Peter Dunn	Discipleship Enabler
Revd Graham Ensor	Regional Minister Team Leader
Debbie Gamble	Association Administrator
Adrian Howe	Finance Officer
Revd Kez Robinson	Mission Enabler
Pam Roe	Minute Secretary
Revd Mary Taylor	Regional Minister
Dean Thorpe	Treasurer
Jodie Thorpe	Children, Youth & Families (CYF) Enabler
Julie Walker	Administration Assistant

### **Partnerships and Related Parties**

The Association works in partnership with Northern Baptist College, St Hild College, Biglife Europe, BMS World Mission, the Northern (NBA) and North Western (NWBA) Baptist Associations and ecumenical bodies across Yorkshire. The Association is a member of the Baptist Union of Great Britain (BUGB) as our related party which means that we receive national guidance on various matters. In the interest of transparency and probity, the Association maintains a register of trustees' interests and those of close family members. All members of the Executive are invited to declare any matters which might influence their conduct in respect to the Association's business. This register is open to public inspection.

# The Yorkshire Baptist Association (Incorporated)

## Trustees' Report for the Year ended 31 December 2020

During 2020 we have continued to develop these partnerships in practical ways, seeking to be collaborative whilst at the same time bringing YBA focus to the partnerships.

### Objectives and Activities

The objects of YBA are the advancement of the Evangelical Christian faith and its practice in Yorkshire or elsewhere according with the principles of the Baptist Denomination.

The YBA is a network of 100 churches, individually and collectively committed to participating in the mission of God. Our vision is to 'grow healthy churches in Yorkshire' - we do this by relating, renewing and resourcing the local church, which is the primary agent for God's mission.

### Achievements and Performance

As 2020 started, another year of significant activity was anticipated in the life of the YBA and our member churches. Preparatory work had been done on an initiative entitled *2020 Focus – Immersed*, and on our Annual Assembly, but then came the global Covid-19 pandemic which impacted our plans and actions. Despite the limitations brought about by national and regional lockdowns and essential pandemic control measures, with focussed attention from team members and a flexible approach, a number of the key actions identified for the year were put in place and proved to be fruitful.

Relating, renewing and resourcing continue to underpin the strategic and practical actions we take, as we seek opportunities for transition and change. Staff worked from home where necessary and working patterns were adapted in response to the ever-changing Government guidance and law. We used online resources to maintain contact with ministers and church leaders, mid-day prayers using Facebook were much appreciated during the first significant lockdown period, video conference meetings have become the norm and many, many telephone calls have been made. And our regular email news-round linked with our website and social media channels were vital tools as we continued to support our member churches and ministers.

Of particular benefit during this time, both to the Association and our member churches, has been the excellent Baptist church focussed guidance and advice provided through the **Baptist Union of Great Britain** which we have been able to share with ministers and leaders. We have been especially grateful for this practical outworking of our partnership.

In January as part of our partnership with **Biglife Europe**, the Association facilitated a group of leaders and ministers in visiting Kolkata, India. Supported by **Discipleship Enabler**, Peter Dunn, they experienced Biglife DMM (disciple making movement) principles in action in India, sharing in discipleship action and worship, and reflecting on how these principles can be applied in their own Yorkshire Baptist context, reimagining church life for now and the future. Seven discipleship groups were started as a result of the trip. As the year progressed, twenty YBA churches connected with Biglife and around fifty micro groups started - there are early beginnings of folk coming to faith through this work.

Building on her initial work in the latter months of 2019, our CYF Enabler, Jodie Thorpe, further developed the Association's support and encouragement of churches in their ministry amongst **Children, Youth and Families**. It was a busy year as Jodie connected with CYF workers in the region, organised topic specific webinars led by external specialists, connected with ministers and leaders by invitation, and engaged with the Core Group of the national CYF Round Table to bring a Yorkshire perspective to national conversations.

During 2020 international events prompted us to turn our minds once again to issues of **racial justice**; a YBA statement was made following the murder of George Floyd and opportunities for member churches to join in open meetings, to be challenged and better informed on issues of racial injustice, and to participate in prayer days were facilitated. The Executive used their virtual Away Day in October to look more closely at this, to learn from the lived experience of friends in the BAME community and to consider where YBA practices may contribute to racial justice.

**Ministerial Development Groups** facilitated by our Regional Ministers continued, meeting by video conference call when necessary. These small groups of ministers meet regularly for support, continued learning and reflective practice. Feedback has continued to be positive.

# The Yorkshire Baptist Association (Incorporated)

## Trustees' Report for the Year ended 31 December 2020

The Regional Team look out for opportunities to **plant new churches and congregations**, and conversations took place to understand how the Association might support existing churches to plant new ones. One element of this is our strengthened relationship with St Hild College and their Centre for Church Growth, creating support for church planters in the north.

In May, the **Trust Group** brought a proposal to the Trustees seeking to form a task group to look proactively at creative and alternative use of church buildings, to explore how we might begin to support churches to become more sustainable/multipurpose and to scope out a potential external grant application. This developed into a Sustain Proposal – Baptists Building Communities, and initial work and funding was agreed.

We are looking to the **creative use of church buildings**, both for our member churches and for the closed church buildings which the Association is responsible for. One key building in this respect is the former Woodseats Baptist Church building in South Yorkshire. After significant explorations into potential uses for the building and site, we were approached by The Message Trust, a UK charity who deliver Christian schools work and create Christian youth resources whilst encouraging local mission and evangelism training. After discussions, we have entered into an agreement with The Message Trust which allows them to use the building whilst we retain ownership. Our agreement also enables the building to be used to plant a new Baptist congregation in this area of Sheffield. We look forward to seeing this develop in the coming months and years.

It is always a great sorrow to the Association when a member church closes, and we are encouraged when potential new member churches get in touch with the Regional Team to explore what it means to be a member of the Yorkshire Baptist Association. Our church application process has been reviewed and now includes a period of walking alongside each other with interested churches exploring Baptist identity, as well as the necessary formalities with regards to governance, safeguarding and so on.

Sadly, **conflict resolution** was a common theme again during 2020 as members of our Regional Team were called in to work with ministers and churches when differences of view or relationship difficulties become a source of significant conflict. Alongside direct support from the YBA, in recent years we have benefitted from our partnership with The Blackley Centre at Blackley Baptist Church; the Centre is a vital resource in the areas of conflict transformation and inter-faith relationships. In 2020, our trustees met with key people from the Centre to hear about the key achievements and areas of work which they had focussed on in the previous three years – reconciliation, interpersonal mediation, conflict awareness and peace-making. All of these are vital as we seek to encourage healthy churches in Yorkshire and the Association were pleased to agree a further three years of grant support for the Centre.

**Ministry Matters** continued to be a focus for the Regional Ministers, particularly when ministries end requiring pastoral support as situations are worked out and good conclusions enabled. Video conference calls were agreed temporarily for BUGB accreditation interviews; a significant learning experience for our YBA Ministry Group. And BUGB introduced new requirements for ministers to engage in Continuing Ministerial Development (CMD). This will require greater support in the Association than current practice, and conversations are ongoing to understand how this can be resourced.

A significant challenge to Baptist churches in the north is the relatively low number of folk seeking **ministry training**, particularly amongst younger people, those who are pioneers and those who are called to different forms of recognised ministry. St Hild College are a key partner with the YBA as we seek to revitalise churches in the region. Following discussion by the Executive various actions were agreed which will deepen our relationship with St Hild College. We hope this will help address the issue of seeking new ministers and leaders to serve amongst us.

Although the work of our **Mission Enabler** in supporting Learning Communities was significantly impacted by the pandemic, our partnership with LICC (London Institute for Contemporary Christianity) continues. Webinars were offered during the later stages of 2020 including a series focussing on technical skills for churches wishing to better utilise online resources for prayer, worship and related church activities. Led by our Mission Enabler, these were well attended and much appreciated, especially by our smaller churches.

# The Yorkshire Baptist Association (Incorporated)

## Trustees' Report for the Year ended 31 December 2020

### Governance and Administrative Matters

The Trustees made the decision to cancel the AGM for 2020 which would normally have taken place in the Spring. The 2019 Trustees Report and Financial Statements were agreed by the trustees and then shared with all member churches and ministers through our email news-round and made available on our website. A Ministry News report was shared at the same time. Release of the report was accompanied by a video message from the Chair of Trustees and questions were invited.

A full review of the **Risk Management** Strategy Document was undertaken during the year led by our Risk Management Trustee. A new format was agreed, and the document will be brought to the Executive meeting twice each year for review as appropriate. A new Risk Management Working Group was formed by the Executive which will be called upon to provide support for any specific risk situations as they may arise and will report to the Executive as may be needed.

A brief review of our **data protection** policy and practices was undertaken; more work will be done on this post-Brexit to incorporate any changes which may emerge.

Throughout the year, work has been ongoing sorting and digitising paper files held by the Association; work on this will continue to ensure that we have easily available records, especially relating to church property, trust and legal matters.

Following feedback received, a new Executive meeting agenda format was introduced to ensure that appropriate time could be given to vision & strategy discussions and to governance-related matters at each meeting.

**Safeguarding** continued to require attention with our Safeguarding Trustee supporting the work of the Regional Minister Team Leader and Association Administrator. Alongside providing general advice and guidance to our member churches and ministers, the Association is also available to support churches should a safeguarding incident occur. It was not possible to offer face to face safeguarding training to our member churches during 2020 due to Covid-19 restrictions. However, the Safeguarding Team at BUGB created a video training resource as an interim measure and we made this available to our member churches during the Autumn along with opportunities for follow up support if it was required.

Our Regional Ministers continue to provide **Vision and Review** days for member churches as requested and several fellowships benefitted from this provision, usually offered virtually, during 2020.

### Financial Review

During the year to 31 December 2020 the YBA had a total income of £784,237 (2019: £619,435). There were gains on the valuations of investments of £139,385 (2019: gains of £196,821). The total expenditure was £380,078 (2019: £443,983). The net result for the year was net income of £543,544 (2019: £372,273). The trustees are mindful that the closed church buildings and burial grounds carry with them significant but largely unquantifiable costs for repair and maintenance.

The trustees acknowledge with gratitude the financial support received from the following:

Harry Bottom Charitable Trust   £30,000 (2019: £30,000)  
Baptist Insurance Company     £1,000 (2019: £5,000)

The YBA has been blessed through many financial and other generous gifts of time and expertise.

The YBA's reserves policy continues to comprise two elements: firstly, the YBA maintains a general reserve equivalent to approximately six months' General Fund expenditure, and secondly, the YBA only maintains restricted reserves where the purpose is evidently practical. If any restricted reserve ceases to be active the YBA takes the appropriate administrative, legal and/or regulatory steps to wind up the reserve and transfer remaining balances into the designated general fund.

Target reserves will be achieved by maintaining a significant cash balance in addition to invested assets of relatively easily realisable nature. The charity's free reserves at 31 December 2020 excluding restricted funds and fixed assets totalled £804,944 (2019: £608,771).



# **The Yorkshire Baptist Association (Incorporated)**

## **Trustees' Report for the Year ended 31 December 2020**

The YBA's Executive group is responsible for annually reviewing and approving an investment policy statement which sets out a strategy and policies for risk, ethics, delegation of authority, reporting and training and guidance, with respect to the YBA's cash management and investments. The policy, which complies with the Charity Commission recommended best practice ensures that the YBA is able to control and utilise its funds effectively in a controlled framework. The YBA's objective is to generate income and capital returns, which will enable the YBA to at least maintain current levels of activity, particularly staffing levels. In practice, this policy means that the YBA aims to grow income over the medium term at least in line with average earnings growth and at least maintain the real capital value of the portfolio so that the base from which income is derived is maintained in real terms. The YBA seeks to employ investment managers to ensure proper management of the assets and to obtain the returns required within acceptable levels of risk.

The YBA engages in effective treasury management (maximisation of the short-term cash balance through effective of debtors, creditors and payroll) so as to identify surplus cash available for investment, and to maximise the return on that money while minimising the associated risk. The overriding principle of the YBA's investment policy is to avoid risk rather than to maximise return, whilst meeting the liquidity needs of the YBA. The key criteria for assessing the desirability of any potential investment, therefore, is security, liquidity and yield respectively. All short-term investments are place with organisations that have a credit rating of A1/A+ or above and no single investment is placed for a period greater than 2 years. Total investments with any one organisation will not normally exceed £1 million. Investments for periods in excess of three months will be placed to provide a spread of maturity throughout the year to meet liquidity.

### **Fundraising**

YBA strives to achieve the highest fundraising standards. YBA stays up to date with developments in charity regulation, data protection and the Fundraising Preference Service (FPS) to make sure it is legally compliant and adhering to all guidelines.

### **Plans for 2021**

Looking to the future, our key plans for 2021 will include:

- Development of our webinar programme to inspire and provide resources to our member churches.
- Continue to work with St Hild College and deepen our partnership.
- Continue to develop and support Biglife and DMM practitioners across the YBA.
- Encourage networking amongst larger churches to facilitate shared learning and supportive relationships across the YBA.
- Support churches as they engage with racial justice matters and become places of welcome including through a "Just like Jesus" initiative.
- Support a Farsi network across YBA member churches.
- Facilitate an online ministers' gathering for 2021 with a significant keynote speaker.
- Enable a deepening spirituality through seasons including Lent and Advent, encouraging churches to reflect and reimagine a different future post Covid-19 lockdown.
- Offer Learning Communities for church engagement through our Mission Enabler and our partnership with the LICC, supporting churches in transition and change.
- Promote and develop our Children, Youth & Families network.
- Review our Staff and Trustees Handbook.
- Review our Data Protection policy and practices.

As always, the trustees wish to say a big thank you to the many people who contribute to Association life during the year. Without the support of the many volunteers who serve on our groups and who support the work of the Association Team in practical and prayerful ways, we would not be able to report on such a diverse and wide-ranging scope of activity and work.

### **Funds Held as Custodian Trustee**

The YBA, as Custodian Trustee, holds certain assets for member churches and associated charities. The trustees do not have any direct title to the funds but administer these investments within the framework of the Charities Act. The objects of the churches and charities are in line with the objects of the Association shown in this Trustees' Report.

# The Yorkshire Baptist Association (Incorporated)

## Trustees’ Report for the Year ended 31 December 2020

The details of the assets of each custodian fund held on behalf of the church or charity are set out in Note 18 in the financial statements.

### Auditor

Garbutt & Elliott Audit Limited have confirmed their willingness to be re-appointed at the next annual general meeting.

### Statement of Responsibilities of the Trustees

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the surplus or deficit of the charitable company for that year.

In preparing those 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;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Make judgements and estimates that are reasonable and prudent;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company 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 company and hence for taking 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 in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements.

### Small Company Rules

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies. It was approved by the Board on 12 May 2021 and signed on its behalf by:

By order of the board of trustees

*E F Allen*

*Dean C Thorpe*

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# **Independent Auditor's Report to the Members of The Yorkshire Baptist Association (Incorporated)**

## **Opinion**

We have audited the financial statements of the Yorkshire Baptist Association (Incorporated) for the year ended 31 December 2020 which comprise the statement of financial activities, the balance sheet, the cash flow statement and notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (UK Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 December 2020 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with UK 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 Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## **Other information**

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

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

We have nothing to report in this regard.

# **Independent Auditor's Report to the Members of The Yorkshire Baptist Association (Incorporated)**

## **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the Trustees' report (incorporating the Directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' report (incorporating the Directors' 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 Charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report.

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us;
- the financial statements are not in agreement with the accounting records and returns;
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

## **Responsibilities of the Trustees**

As explained more fully in the Trustees' responsibilities statement, 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 they 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 Charity'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 Charity or to cease operations, or have no realistic alternative but to do so.

## **Our 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.

These procedures did not identify any potentially material actual or suspected non-compliance. To identify risks of material misstatement due to fraud we considered the opportunities and incentives and pressures that may exist within the charity to commit fraud. Our risk assessment procedures included: enquiry of Trustees and other management to understand the high-level policies and procedures in place to prevent and detect fraud, reading Board minutes and considering performance targets and incentive schemes in place for management. We communicated identified fraud risks throughout our team and remained alert to any indications of fraud during the audit.

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.

# **Independent Auditor's Report to the Members of The Yorkshire Baptist Association (Incorporated)**

## **Extent to which the audit was capable of identifying irregularities, including fraud**

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the Trustees and other management, and from inspection of the charity's regulatory and legal correspondence. We discussed with the Trustees and other management the policies and procedures regarding compliance with laws and regulations. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance during the audit.

The charity is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related charities legislation), pensions legislation, taxation legislation and further laws and regulations that could indirectly affect the financial statements, comprising employment legislation, fundraising regulations and, in the current climate, Covid regulations. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any. These procedures did not identify any potentially material actual or suspected non-compliance.

To identify risks of material misstatement due to fraud we considered the opportunities and incentives and pressures that may exist within the charity to commit fraud. Our risk assessment procedures included: enquiry of the Trustees and other management to understand the high level policies and procedures in place to prevent and detect fraud, reading Board minutes and considering performance targets and incentive schemes in place for management. We communicated identified fraud risks throughout our team and remained alert to any indications of fraud during the audit.

As a result of these procedures, we identified the greatest potential for fraud in the following areas:

- income recognition and in particular the risk that income is recognised in the wrong reporting period; and
- subjective accounting estimates.

Both risks arise due to a potential desire to present weaker results in order to secure additional funding. As required by auditing standards we also identified and addressed the risk of management override of controls.

We performed the following procedures to address the risks of fraud identified:

- identifying and testing high risk journal entries through vouching the entries to supporting documentation;
- assessing significant accounting estimates for bias; and
- testing the recognition of income and in particular that it was appropriately recognised or deferred.

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. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

# **Independent Auditor's Report to the Members of The Yorkshire Baptist Association (Incorporated)**

## **Use of our report**

This report is made solely to the Charity'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 Charity'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 Charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

*Garbutt & Elliott Audit Limited*

**Laura Masheder  
Senior Statutory Auditor**

17/05/2021

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**For and on behalf of Garbutt & Elliott Audit Limited  
Statutory Auditor**

33 Park Place  
Leeds  
LS1 2RY

# The Yorkshire Baptist Association (Incorporated)

## Statement of Financial Activities for the year ended 31 December 2020 (Including Income and Expenditure Account)

	Note	Unrestricted Funds	Restricted Funds	Total Funds 2020	Unrestricted Funds	Restricted Funds	Total Funds 2019
		£	£	£	£	£	£
<b>Income from:</b>							
Donations and legacies	2	31,000	-	31,000	44,163	4,000	48,163
Charitable activities	3	734,810	-	734,810	552,142	-	552,142
Investments		17,965	462	18,427	18,416	714	19,130
<b>Total income</b>		783,775	462	784,237	614,721	4,714	619,435
<b>Expenditure on:</b>							
Raising Funds	4	38,881	-	38,881	44,810	-	44,810
Charitable activities	5	340,641	556	341,197	394,555	4,618	399,173
<b>Total expenditure</b>		379,522	556	380,078	439,365	4,618	443,983
<b>Net income before other recognised gains</b>		404,253	(94)	404,159	175,356	96	175,452
<b>Other recognised gains</b>							
Net gains on investments		137,635	1,750	139,385	192,658	4,163	196,821
Transfer between funds		-	-	-	191,827	(191,827)	-
<b>Net movement in funds</b>	6	541,888	1,656	543,544	368,014	4,259	372,273
Balance brought forward	12/13	3,404,208	150,219	3,554,427	2,844,367	337,787	3,182,154
<b>Balance carried forward</b>	12/13	<b>3,946,096</b>	<b>151,875</b>	<b>4,097,971</b>	<b>3,404,208</b>	<b>150,219</b>	<b>3,554,427</b>

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities. The notes on pages 15 to 30 form part of these statements. The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

# The Yorkshire Baptist Association (Incorporated)

## Balance Sheet as at 31 December 2020

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	8	827,304	827,304
Investments	9	2,429,779	2,284,639
		3,257,083	3,111,943
<b>Current assets</b>			
Debtors	10	83,423	93,732
Cash at bank and in hand		781,181	371,971
		864,604	465,703
<b>Liabilities</b>			
Creditors: Amounts falling due within one year	11	(23,716)	(23,219)
<b>Net current assets</b>		840,888	442,484
<b>Total assets less current liabilities</b>		4,097,971	3,554,427
<b>Total net assets</b>		4,097,971	3,554,427
<b>Funds</b>			
Restricted funds	12/13	151,875	150,219
Unrestricted funds	12/13	3,946,096	3,404,208
		4,097,971	3,554,427

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 applicable to small companies.

These financial statements were approved by the board on 12 May 2021 and signed on its behalf by:

*E F Allen*

*Dean C Thorpe*

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The notes on pages 15 to 30 form part of these financial statements.

**Company number: 00181581**



# The Yorkshire Baptist Association (Incorporated)

## Statement of Cash Flows for the Year Ended 31 December 2020

	Note	2020 £	2019 £
<b>Cash Flows from operating activities:</b>			
<b><i>Net cash provided by/(used in) operating activities</i></b>	<b>17</b>	113,084	(79,742)
<b>Cash Flows from investing activities:</b>			
Dividends, interest and rents from investments		18,427	19,130
Proceeds from the sale of fixed assets		283,454	-
Proceeds from sale of investments		717,340	1,028,387
Purchase of investments		(723,095)	(963,958)
<b><i>Net cash provided by investing activities</i></b>		296,126	83,559
<b>Change in cash and cash equivalents in the year</b>		409,210	3,817
<b>Cash and cash equivalents at the beginning of the year</b>		371,971	368,154
<b><i>Cash and cash equivalents at the end of the year</i></b>		781,181	371,971

The Charity had no debt in this or the previous year.

# **The Yorkshire Baptist Association (Incorporated)**

## **Notes to the Financial Statements for the Year Ended 31 December 2020**

### **Accounting policies**

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

### **Charity Information**

The Yorkshire Baptist Association is a charitable company. The registered office is 17-19 York Place, Leeds, LS1 2EX. The organisation's Charity Number is 247173 and its company number is 00181581.

### **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 financial statements 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 Companies Act 2006 and the Charities Act 2011.

The Yorkshire Baptist Association meets the definition of a public benefit entity under FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £1.

The financial statements have been prepared under the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

### **Going concern**

The trustees have prepared financial projections, taking into consideration the current economic climate and its potential impact on the sources of income and planned expenditure. They have a reasonable expectation that adequate financial resources are available to enable the charity to continue in operational existence for the next 12 to 18 months and have adequate contingency plans in the event that income streams are reduced. Consequently, the financial statements have therefore been prepared on the basis that the charity is a going concern. Whilst there is still considerable economic uncertainty over the impact of the COVID-19 virus, the charity has considerable cash reserves, sufficient to meet its immediate requirements, and the ability to reduce grants awarded in the future. Thus, the trustees have continued to adopt the going concern basis of accounting in preparing the financial statements.

### **Income**

Income is recognised when the charity has entitlement to the funds, any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from closed churches represents the fair value of assets transferred to the charity upon closure of a church. Any excess or deficit on sale is recognised as Profit on Sale of Closed Church Buildings.

Income from Government and other grants, whether 'capital' grants or 'revenue' grants is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Entitlement to legacies is taken as the earlier of the date on which either: 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. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

# **The Yorkshire Baptist Association (Incorporated)**

## **Notes to the Financial Statements for the Year Ended 31 December 2020**

### **Accounting policies (continued)**

Donated services and facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, and the receipt of economic benefit can be measured reliably. In accordance with the Charities SORP (FRS102), general volunteer time is not recognised. Refer to the trustees' annual report for more information about their contribution.

Investment income is included when receivable and the amount can be measured reliably by the charity.

Where income is received for expenditure in a future accounting period that amount is deferred.

### **Fund accounting**

**Unrestricted funds** are available to spend on the activities that further any purposes of charity;

**Designated funds** are unrestricted funds which the trustees have decided at their discretion to set aside to use for a specific purpose;

**Restricted funds** represent income which the donor has specified to be solely used for particular areas of the Charity's work.

### **Expenditure**

Expenditure, which includes irrecoverable VAT, is recognised once there is a legal or constructive obligation to make payment to a third party, it is probable that settlement will be required and the amount of the obligations can be measured reliably.

Expenditure is classified under the following activity headings:

- Expenditure on raising funds comprises the costs associated with fund raising activity;
- Expenditure on charitable activities includes the costs of activities undertaken to further the purpose of the charity and their associated support costs;
- Other expenditure represents those items not falling into any other heading.

All costs are allocated between the expenditure categories of the SOFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis e.g. staff time or usage as set out in Note 4.

Grants payable are commitments (including payments) made to third parties in the furtherance of the charitable objectives of the charity.

### **Allocation of support costs**

Support costs are those functions that assist the work of the charity but do not directly relate to charitable activities. Support costs include back-office costs, finance, personnel, payroll and governance costs which support the Trust's activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities. The basis on which support costs have been allocated are set out in note 5.

### **Operating leases**

Rentals applicable in respect of operating leases where substantially all the benefits and risks of ownership remain with the lessor are charged to the Statement of Financial Activities as incurred.

### **Staff Costs**

The costs of short-term employee benefits are recognized as a liability and an expense where settlement of obligations does not fall within the same period.

### **Pensions**

The charitable company contributes to the Baptist Pension Scheme which is a multiemployer defined benefit pension scheme. As explained in note 16, the Yorkshire Baptist Association is unable to identify the assets and liabilities attributable to them in the scheme and there is no formal deficit recovery plan in place. In accordance with FRS 102 amounts paid to the Scheme are accounted for as if they were those of a defined contribution scheme.

# **The Yorkshire Baptist Association (Incorporated)**

## **Notes to the Financial Statements for the Year Ended 31 December 2020**

### **Accounting policies (continued)**

#### **Tangible fixed assets and depreciation**

Individual fixed assets costing £1,000 or more are capitalised. Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value over their expected useful lives as follows:

Freehold land and buildings	Not depreciated
Motor Vehicles	20% straight line
Office Equipment	33% straight line

Freehold land and buildings comprise two manses, office space and a closed church building which are held with a view to furthering the objects of the charity. No depreciation is charged against these assets on the basis that the residual value is at least equal to the carrying value.

#### **Fixed asset investments**

Investments are a form of basic financial instrument.

Listed investments are stated at market value at the balance sheet date. The listed investment portfolio is held to generate returns and gains for the charity and accordingly is designated as fair value through profit and loss ("FVTPL"). Under this designation, the portfolio is revalued at each period end to its fair value, as determined by reference to quoted market prices and values determined by independent fund managers, with any gains or losses going through the SOFA.

#### **Loans to churches**

Loans made by the YBA to member churches are accounted for as mixed motive investments which are measured at historical cost less impairment, subsequent repayments and any accrued interest. These investments are mixed motive in nature and in accordance with the Charities SORP (FRS 102) amounts expensed are accounted for as grants to churches.

Where interest is charged on loans made to churches, the rate is 0.5% lower than that published by the Baptist Union Corporation. The rate at 31 December 2020 was 3.1% (2019: 3.75%).

#### **Stock**

No account is taken of the stock of books and pamphlets, which are written off in the year of purchase and are of minimal value.

#### **Financial Instruments**

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

#### **Cash at bank and in hand**

Cash at bank and cash in hand includes cash and short term highly liquid investments with a maturity within the 12 months after the balance sheet date.

#### **Debtors**

Debtors are recognised at the settlement amount. Prepayments are valued at the amount prepaid net of any discounts due.

#### **Creditors and Provisions**

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

Financial liabilities are only derecognised when, and only when, the charity's obligations are discharged, cancelled or they expire.

Amounts recognised as provisions are best estimates of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation.

# The Yorkshire Baptist Association (Incorporated)

## Notes to the Financial Statements for the Year Ended 31 December 2020

### Accounting policies (continued)

#### Exceptional items

Exceptional items are material items, deriving from events or transactions within the ordinary activities of the charity, and which individually or in aggregate are disclosed because of their size or incidence in order that the financial statements give a true and fair view.

#### Taxation

The Yorkshire Baptist Association is a registered charity and as such is a charity within the meaning of schedule 6 of the Finance Act 2010. Accordingly, the Charity is potentially entitled to tax exemption under part 11 of the Corporation Tax Act 2010 or section 256 of the Taxation of Chargeable Gains Act 1992 in respect of income and gains arising.

#### Critical Accounting Estimates and Judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities.

### 2. Income from donations and legacies

	2020	2019
	£	£
Sundry donations and legacies (unrestricted)	31,000	44,163
Sundry donations and legacies (restricted)	-	4,000
	31,000	48,163

#### Donations and legacies in the year ended 31 December 2020 include:

Baptist Insurance Company	1,000
Bottom Trust	30,000
	31,000

The Charity benefits greatly from the involvement and enthusiastic support of a number of volunteers, details of which are given in our annual report. In accordance with FRS 102 the economic contribution of volunteers is not recognised in the financial statements.

# The Yorkshire Baptist Association (Incorporated)

## Notes to the Financial Statements for the Year Ended 31 December 2020

### 3. Income from charitable activities

	2020 £	2019 £
BUGB core funding	203,597	213,293
Interest on loans to churches	13,810	15,760
Income from churches for services rendered	3,027	10,987
Closed churches income	512,597	305,027
Permanent loans repaid	-	2,000
Other Income	1,779	5,075
	734,810	552,142

Of the Income from charitable activities £734,810 was unrestricted (2019: £552,142) and £Nil was restricted (2019: £Nil).

### 4. Expenditure on raising funds

	2020 £	2019 £
Office costs	14,382	13,044
Closed church property costs	24,499	31,766
	38,881	44,810

### 5. Expenditure on charitable activities

Activity or programme	Activities undertaken directly £	Grant funding of activities £	Support Costs £	2020 £
Ministry	2,016	-	264,250	266,266
Mission	-	74,931	-	74,931
	2,016	74,931	264,250	341,197

Activity or programme	Activities undertaken directly £	Grant funding of activities £	Support Costs £	2019 £
Ministry	12,921	-	301,086	314,007
Mission	-	85,166	-	85,166
	12,921	85,166	301,086	399,173

# The Yorkshire Baptist Association (Incorporated)

## Notes to the Financial Statements for the Year Ended 31 December 2020

### 5. Expenditure on charitable activities (continued)

Charitable Activity costs include the following grants:	2020 £	2019 £
<b>Grants to institutions:</b>		
Mission Grants	45,235	57,045
Biglife	17,696	12,146
St Hild (previously St Barnabas) Theological College	-	500
NCPRIR, Blackley	12,000	13,210
Northern Pioneer Costs	-	2,140
Yorkshire Churches on Show	-	125
	74,931	85,166

Support costs are allocated in proportion to the cost of activities undertaken directly and include governance costs of £8,448 (2019: £4,083).

Expenditure on charitable activities was £341,197 (2019: £399,173) of which £340,641 was unrestricted (2019: £394,555) and £556 was restricted (2019: £4,618).

### 6. Net income for the year is stated after charging:

	2020 £	2019 £
Auditor's remuneration	5,250	4,250

### 7. Analysis of staff costs, staff numbers, financial statements remuneration and expenses and the cost of key management personnel

The average monthly number of employees analysed by function was:

	2020	2019
Mission	2	2
Ministry	7	7
	9	9

Staff costs during the year were as follows:	2020 £	2019 £
Salaries	159,697	155,957
Social security costs	9,674	11,527
Pension costs	24,468	28,230
Other costs (Council Tax, Water charges, Accommodation)	27,279	26,599
	221,118	222,313

No employees earned £60,000 or more during the year (2019: no employee).

Pension Costs are allocated to activities in proportion to the related staffing costs incurred and are wholly charged to unrestricted funds.

# The Yorkshire Baptist Association (Incorporated)

## Notes to the Financial Statements for the Year Ended 31 December 2020

### 7. Analysis of staff costs (continued)

The Executive are in charge of directing and controlling the charity, with the Chairs of the working groups and the Regional Minister Team Leader comprising the key management personnel and running and operating the charity on a day-to-day basis. The total employee benefits of the key management personnel of the charity were £59,313 (2019: £61,461).

No trustees received remuneration for their services during the year (2019: £Nil). One trustee received reimbursed expenses during the year of £147 (2019: three trustees, £396).

In addition to the staff costs shown, Revd Ann Chesworth, part time YBA Trust Officer, is on secondment from Harrogate Baptist Church and has been charged at £10,223 (2019: £10,033) and in 2019 Revd Roy Searle, Baptist Union of Great Britain Northern Pioneer Coordinator was employed by the YBA on behalf of the Baptist Union of Great Britain, the Northern Baptist Association and the North Western Baptist Association who share the costs of the post with the YBA. The YBA contribution in 2020 was £Nil (2019: £2,140).

### 8. Tangible assets

	<b>Closed Church Properties</b>	<b>Freehold Land &amp; Buildings</b>	<b>Office Equipment</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost or valuation:</b>				
At 1 January 2020	362,500	464,804	2,338	829,642
Additions at Cost	200,000	-	-	200,000
Disposals	(200,000)	-	(2,338)	(202,338)
At 31 December 2020	362,500	464,804	0	827,304
<b>Depreciation:</b>				
At 1 January 2020	-	-	2,338	2,338
Charge for the year	-	-	-	-
Disposals	-	-	(2,338)	(2,338)
At 31 December 2020	-	-	-	-
<b>Net book value</b>				
At 31 December 2020	362,500	464,804	-	827,304
<b>Net book value</b>				
At 31 December 2019	362,500	464,804	-	827,304

Included within land and buildings is one 'restricted' freehold property with a historical cost of £93,761 (2019: £93,761). This represents restricted funds used towards providing a manse for Buttershaw Baptist Church.

At 31 December 2020 there were two closed church properties under the stewardship of the Yorkshire Baptist Association, Slack Lane, Oakworth Baptist Church and Chapel Cottage, Cowling Hill. At the balance sheet date, the market value of the properties have been included at a value of £362,500 on the balance sheet, these assets are likely to be realised within 12 months of the balance sheet date.

At December 2019 there was one closed church (Dalton Baptist Church) held as an asset for sale which was sold in January 2020.



# The Yorkshire Baptist Association (Incorporated)

## Notes to the Financial Statements for the Year Ended 31 December 2020

### 9. Investments

	Listed Investments	Bonds	Mixed Motive Investments	Cash	2020
	£	£	£	£	£
Cost/value brought forward	1,696,881	44,000	401,887	141,871	2,284,639
Additions	650,620	36,000	36,475	-	723,095
Disposals	(548,240)	-	(66,720)	(102,380)	(717,340)
Realised and unrealised gains	139,385	-	-	-	139,385
<b>Cost/value carried forward</b>	<b>1,938,646</b>	<b>80,000</b>	<b>371,642</b>	<b>39,491</b>	<b>2,429,779</b>

At 31 December 2020 £52,310 is included in debtors in respect of the mixed motive investments. These amounts represent loans to churches which total £423,952. The historical cost of listed investments is £1,657,866 (2019: £1,490,275). Bonds and mixed motive investments which comprise loans to churches are carried at cost less any provision for impairment.

### 10. Debtors

	2020 £	2019 £
Short term element of mixed motive loans to churches	52,310	87,516
Other debtors and prepayments	31,113	6,216
	83,423	93,732

### 11. Creditors amounts falling due within one year

	2020 £	2019 £
Accruals	5,520	2,500
Other Creditors	18,196	20,719
	23,716	23,219

# The Yorkshire Baptist Association (Incorporated)

## Notes to the Financial Statements for the Year Ended 31 December 2020

### 12. Analysis of movement in charitable funds

Year ended 31 December 2020	Balance 1 January 2020 £	Income £	Expenditure £	Net gains on investment £	Transfer £	Balance 31 December 2020 £
<b>Unrestricted Funds</b>						
General	3,404,208	783,774	(379,521)	137,635	-	3,946,096
<b>Restricted Funds</b>						
Temperance	2,100	-	-	-	-	2,100
Closed Churches	148,119	462	(556)	1,750	-	149,775
<b>Total restricted funds</b>	150,219	462	(556)	1,750	-	151,875

  

Year ended 31 December 2019	Balance 1 January 2019 £	Income £	Expenditure £	Net gains on investment £	Transfer £	Balance 31 December 2019 £
<b>Unrestricted Funds</b>						
General	2,844,367	614,721	(439,365)	192,658	191,827	3,404,208
<b>Restricted Funds</b>						
Baptist Insurance Company	-	4,000	(4,000)	-	-	-
Temperance	2,100	-	-	-	-	2,100
Chapel Loan	191,827	-	-	-	(191,827)	-
Closed Churches	143,860	714	(618)	4,163	-	148,119
<b>Total restricted funds</b>	337,787	4,714	(4,618)	4,163	(191,827)	150,219

# The Yorkshire Baptist Association (Incorporated)

## Notes to the Financial Statements for the Year Ended 31 December 2020

### 12. Analysis of movement in charitable funds (continued)

#### Purpose of Restricted Funds:

Baptist Insurance Company Fund – established to help fund children’s work at The Well, Sheffield.

Temperance Fund – the Temperance Fund was established for the purposes of making grants to churches for purposes of temperance.

Closed churches - the Closed Churches Fund arises from churches which have closed and now have no members. The assets have, in accordance with the Trust Deed, been transferred into the control of the Association within the restrictions placed upon the Association by reason of the Trust Deed or order of the Charity Commissioners. In some cases, the only restriction is for purposes connected with the Baptist denomination, as the Association shall direct, in which case these are treated as unrestricted funds.

The Chapel Loan fund had been restricted by the trustees when it was originally setup and was derestricted at the 2019 AGM and the funds were transferred to the general account.

### 13. Analysis of net assets by fund

Year ended 31 December 2020	General £	Restricted £	2020 £
Fixed assets - Tangible assets	733,543	93,761	827,304
Investments	2,407,609	22,170	2,429,779
Net current assets	804,944	35,944	840,888
	3,946,096	151,875	4,097,971

Year ended 31 December 2019	General £	Restricted £	2019 £
Fixed assets - Tangible assets	533,543	93,761	627,304
Investments	2,261,894	22,745	2,284,639
Net current assets	608,771	33,713	642,484
	3,404,208	150,219	3,554,427

### 14. Related party transactions

#### Baptist Union of Great Britain

The Association is a member of the Baptist Union of Great Britain (BUGB). During the year, it received grants from the BUGB as shown:

	2020 £	2019 £
BUGB Core Funding	203,597	213,293

The YBA receives donations from churches for onward submission to the BUGB Home Mission Fund. The YBA is not beneficially entitled to these funds but is merely acting as agent for BUGB and accordingly the charitable company does not recognise these amounts in income or expenses. The monies are held in a separate bank account and paid over to the BUGB periodically during the year.

# The Yorkshire Baptist Association (Incorporated)

## Notes to the Financial Statements for the Year Ended 31 December 2020

### 14. Related party transactions (continued)

The money collected and paid over during the year is detailed below:

	2020 £	2019 £
Donations to the BUGB Home Mission Fund from Association member churches	189,964	200,664

### Baptist Churches in Yorkshire

Baptist Churches in Yorkshire are in most cases members of the YBA and the transactions that took place between the YBA and those churches, during the year, are detailed below.

	2020 £	2019 £
When the Association carries out work for such churches, fees are charged and the resulting income is shown as <i>Income from churches for services rendered</i> .	3,027	10,987
Loans made to churches during the year	40,000	30,000
Loan repayments received from churches during the year	30,245	14,087
Interest on loans received from churches during the year	13,810	15,760
Fee paid to a church in respect of trust officer secondment	10,561	11,219
Grants made to churches during the year	41,866	53,960
Rent paid to a church in respect of the Association's offices	1,100	1,000

### 15. Legal status of the company

The company is limited by guarantee, the liability of each member of the company being wound up while they are members or within one year after they cease to be a member shall not exceed £10.

### 16. Pension costs

The YBA is a participating employer in 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 YBA 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.

# The Yorkshire Baptist Association (Incorporated)

## Notes to the Financial Statements for the Year Ended 31 December 2020

### 16. Pension costs (continued)

In addition, the employer pays a further 4% of Pensionable Income to cover Death in Service Benefits, administration costs, and an associated insurance policy which provides income protection for Scheme members if they are unable to work due to long-term incapacity. This income protection policy has been insured by the Baptist Union of Great Britain with Aviva Limited.

The Scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. Because it is not possible to attribute the Scheme's assets and liabilities to specific employers, the scheme is accounted for as if the Scheme were a defined contribution scheme. YBA staff members 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 £298m, 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 YBA and the other participating employers in the DB Plan are collectively responsible for funding this deficit.

The key financial assumptions underlying the valuation were as follows:

Type of assumption	% p.a.
RPI price inflation assumption	3.20
CPI price inflation assumption	2.70
Minimum Pensionable Income Increase Adjustment (above CPI)	0.50
Pre-retirement assumed investment returns (gilt yield plus 1.75% p.a.)	2.95
Post retirement assumed investment returns (including benefits matched by the insurance policy) (gilt yield plus 0.5% p.a.)	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 is assumed in accordance with 80% of the S3NA standard mortality table. Future improvements projected from 2013 in line with the "CMI 2019" projection with a long-term rate of improvement of 1.75% p.a. for males and 1.5% p.a. for females with the core smoothing parameter and with additional initial mortality improvement factor A = 0.5%.

The next actuarial valuation of the DB Plan within the Scheme is due to take place not later than as at 31 December 2022.

#### Recovery plan

In addition to the contributions to the DC Plan set out above, where a valuation of the DB Plan reveals a deficit the Trustee and the Council agree to a rate of deficiency contributions from churches and other employers involved in the DB Plan. Under the current Recovery Plan signed in September 2020, deficiency contributions are payable until June 2026. These contributions are broadly based on the employer's membership at 31 December 2014 and increase annually in line with increases to Minimum Pensionable Income as defined in the Rules.

#### Pension cost for the year

	2020	2019
	£	£
DC contributions	17,741	19,454
DB deficit payments	6,727	8,776
	<u>24,468</u>	<u>28,230</u>

# The Yorkshire Baptist Association (Incorporated)

## Notes to the Financial Statements for the Year Ended 31 December 2020

### 16. Pension costs (continued)

The Scheme has provided an estimate of the employer debt that the YBA would need to pay if it were to exit the DB Plan of the Scheme at 31 December 2020 of £100,700 (2019: £101,700). This is for information only, as it is not payable until the YBA ceases to employ any active members of the Scheme, which eventuality is considered to be extremely unlikely.

### 17. Reconciliation of Net Movements in funds to Net Cash Flow from Operating Activities

	2020	2019
	£	£
Net movement in funds	543,544	372,273
(Gains) on investments	(139,385)	(196,821)
Deduct investment income	(18,427)	(19,130)
(Profit) on the sale of fixed assets	(83,454)	-
Assets transferred at fair value	(200,000)	(177,500)
(Increase)/decrease in debtors	10,310	(31,798)
Increase/(decrease) in creditors	496	(26,766)
	113,084	(79,742)

## The Yorkshire Baptist Association (Incorporated)

### Notes to the Financial Statements for the Year Ended 31 December 2020

#### 18. Custodian trust assets

The Association holds as Custodian Trustees certain assets for the churches and associated charities within the Association. The Trustees do not have any direct title to these funds but administer their investments within the general framework of the Charities Act in consultation with their Financial Advisors, Brewin Dolphin and the objectives of the individual churches.

The objects of the churches and charities are in line with the objects of the Association shown in the Trustees' report. The investments are kept in safe custody and controlled by means of an Investment Register and the Cash Deposits controlled by means of a Financial Statements Ledger, which are periodically reconciled.

The following schedule shows the assets of each custodian fund held on behalf of the church or charity. Investments are shown at their market value at 31 December 2020 and 2019:

	<b>Investments</b>	<b>Cash Deposits</b>	<b>Total</b>	<b>Investments</b>	<b>Cash Deposits</b>	<b>Total</b>
	<b>2020</b>	<b>2020</b>	<b>2020</b>	<b>2019</b>	<b>2019</b>	<b>2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Barnsley - Sheffield Road	-	19,733	19,733	-	19,700	19,700
Barnsley - Ward Green	-	268,392	268,392	-	267,944	267,944
Bingley	6,352	3,952	10,304	5,983	3,947	9,930
Blackley	-	20,418	20,418	-	19,385	19,385
Bradford - Buttershaw	-	18,803	18,803	-	18,772	18,772
Bradford - Clayton	3,849	7,692	11,541	3,883	7,679	11,562
Bradford - Tetley Street	-	40,886	40,886	-	40,817	40,817
Bradford - Westgate	9,416	20,234	29,650	11,392	20,200	31,592
Bridlington	-	9,551	9,551	-	9,551	9,551
Conisbrough	-	1,262	1,262	-	1,260	1,260
Dewsbury	37,416	28,949	66,365	43,357	58,869	102,226
Carried Forward	57,033	439,872	496,905	64,615	468,124	532,739

# The Yorkshire Baptist Association (Incorporated)

## Notes to the Financial Statements for the Year Ended 31 December 2020

### 18. Custodian trust assets (continued)

	Investments	Cash Deposits	Total	Investments	Cash Deposits	Total
	2020	2020	2020	2019	2019	2019
	£	£	£	£	£	£
Brought forward	57,033	439,872	496,905	64,615	468,124	532,739
Doncaster - Chequer Road	-	15,912	15,912	-	15,886	15,886
Earby	-	3,563	3,563	-	3,557	3,557
Farsley	7,604	599,315	606,919	9,200	598,011	607,211
Gildersome	-	2,707	2,707	-	2,702	2,702
Golcar	8,654	5,373	14,027	8,301	5,365	13,665
Guiseley	-	3,272	3,272	-	3,267	3,267
Hebden Bridge – Hope	-	2,651	2,651	-	2,651	2,651
Huddersfield - Birkby	-	81,239	81,239	-	81,103	81,103
Huddersfield - Milnsbridge	-	10,242	10,242	-	10,225	10,225
Huddersfield - New North Road	-	14,575	14,575	-	14,550	14,550
Huddersfield - Oakes	-	33,575	33,575	-	33,519	33,519
Huddersfield - Salendine Nook	750	7,601	8,352	543	7,588	8,132
Hull - Boulevard	-	50,484	50,484	-	50,400	50,400
Hull - Priory	-	29,957	29,957	-	29,957	29,957
Keighley	47,726	36,862	84,587	45,177	36,800	81,976
Leeds - Armley	16,115	-	16,115	19,202	-	19,202
Leeds - Blenheim	-	295,403	295,403	-	294,910	294,910
Leeds - Bramley	-	4,614	4,614	-	4,607	4,607
Leeds - Moortown	-	50,787	50,787	-	60,695	60,695
Leeds - Revive	-	4,700	4,700	-	4,692	4,692
Carried Forward	137,882	1,692,704	1,830,586	147,037	1,728,609	1,875,648



# The Yorkshire Baptist Association (Incorporated)

## Notes to the Financial Statements for the Year Ended 31 December 2020

### 18. Custodian trust assets (continued)

	Investments	Cash Deposits	Total	Investments	Cash Deposits	Total
	2020	2020	2020	2019	2019	2019
	£	£	£	£	£	£
Brought forward	137,882	1,692,704	1,830,586	147,038	1,728,609	1,875,647
Leeds - York Road	-	3,744	3,744	-	3,738	3,738
ME Iredale Trust	-	13,243	13,243	-	13,221	13,221
Meltham	-	10,998	10,998	-	10,998	10,998
Mexborough	-	7,407	7,407	-	7,395	7,395
Middlesborough - Berwick Hills	-	-	-	-	5,619	5,619
Mirfield	19,738	81,256	100,994	23,881	81,120	105,002
Normanton	-	109,435	109,435	-	109,252	109,252
Queensbury	-	44,073	44,073	-	43,999	43,999
Rawdon	-	43,473	43,473	-	43,401	43,401
Rotherham	-	5,267	5,267	-	5,258	5,258
Rothwell	-	38,272	38,272	-	44,198	44,198
Salterforth	-	3,695	3,695	-	3,689	3,689
Scapegoat Hill	-	270,925	270,925	-	209,988	209,988
Scarborough - Albemarle	-	21,031	21,031	-	20,996	20,996
Sheffield - Cemetery Road	11,000	711	11,711	11,000	7,067	18,067
Sheffield - Darnall Road	-	18,151	18,151	-	18,121	18,121
Slack Lane - Oakworth	-	-	-	36,000	113,882	149,882
South Craven	102,713	26,597	129,310	105,039	26,553	131,592
Todmorden - Roomfield	-	4,525	4,525	-	4,525	4,525
Todmorden - Vale	-	25,961	25,961	-	25,918	25,918
<b>Total</b>	<b>271,333</b>	<b>2,421,468</b>	<b>2,692,801</b>	<b>322,958</b>	<b>2,527,547</b>	<b>2,850,505</b>