

The Yorkshire Baptist Association (Incorporated)

Company Number: 00181581

Charity Number: 247173



**THE YORKSHIRE BAPTIST ASSOCIATION
(INCORPORATED)**

(A Company Limited by Guarantee)

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

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Charity Information

The Yorkshire Baptist Association (Incorporated)

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 2021.

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 2021:

Rev Adenike Adebajo (from 26 January 2021)	Mrs Liz Allen (until 31 December 2021)
Mr Chris Bishop	Mr Philip Callow (until 31 August 2021)
Mr John Crosse	Ms Charlotte Hendy
Rev Joseph Kapolyo (from 26 January 2021)	Mrs Gill Knowles
Mr Kevin Quinton (Chair of Trustees)	Mr Dean Thorpe (Treasurer)

Our bankers are:
Yorkshire Bank plc
94-96 Briggate
Leeds LS1 6NP

The Charities Official Investment Fund
80 Cheapside
London EC2V 6DZ

Our auditor is:
Azets Audit Services Limited
Triune Court
Monks Cross
York YO32 9GZ

Our investments advisers are:
LGT Vestra LLP
14 Cornhill
London EC3V 3NR

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

Report of the Trustees

The Yorkshire Baptist Association (Incorporated)

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. The Standing Orders are reviewed 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. Changes to trustees during 2021 are shown on page 1; we were pleased to gain two new trustees at the beginning of 2021. We have adopted a practice of proactively seeking out potential new trustees from amongst our member churches and inviting suitable people to attend 2/3 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
Julie Crabtree	Administration Assistant
Revd Peter Dunn	Discipleship Enabler
Revd Graham Ensor	Regional Minister Team Leader
Debbie Gamble	Association Administrator
Revd Alex Harris	Regional Minister from 1 November 2021
Hannah Harris	Finance Officer from 1 February 2022
Adrian Howe	Finance Officer until 31 January 2022
Revd Kez Robinson	Mission Enabler, then Regional Minister from 1 March 2022
Revd Mary Taylor	Regional Minister until 31 March 2022
Dean Thorpe	Treasurer
Jodie Thorpe	Children, Youth & Families Enabler

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

Report of the Trustees The Yorkshire Baptist Association (Incorporated)

public inspection. Declaration of interests is also included as a standing item at every Executive meeting.

During 2021 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.

When reviewing the aims and objectives of the charity and in planning future activities, the Trustees have complied with the duty in section 17 of the Charities Act 2011 and have due regard to the public benefit guidance published by the Commission.

Achievements and Performance

The common themes during 2021 have been that of challenge, transition and change. The global Covid-19 pandemic continued to impact the work of the Association and of our member churches; plans and activities were adapted as government regulations and guidance changed during the year. The excellent Baptist church focussed guidance and advice which was made freely available through the Baptist Union of Great Britain was hugely beneficial to our churches and the Association, and we are especially grateful for this practical expression of our partnership.

Relating, renewing, and resourcing continues to underpin the strategic and practical decisions made and action taken as we support our member churches, ministers and leaders in their mission and ministry. Throughout 2021, the trustees and staff team kept their focus on striving to be relevant in today's culture of permanent transition. Six priorities have been identified which will provide a clear focus for the work of the YBA in the next 5 years:

- Prioritise planting, revitalising, and re-imagining
- Leadership development (Continuing Ministerial Development)
- Develop a pipeline of younger missional leaders
- Create new pathways into missional ministry
- Promote justice and encourage diversity
- Support digital development

One key element for trustees in 2021 was a review of the team in response to the upcoming retirements of Regional Ministers, Mary Taylor and Clive Burnard. The review started in January and continued throughout the year as the trustees and staff team met, prayed, and sought to hear what God is calling us to do, from which plans evolved and decisions were made. The review developed into a **"Reshaping Regional Ministry"** focus. One of the outcomes of the review was the possibility of appointing a new Regional Minister to the YBA with a focus on **Pioneering and Church Planting**. A detailed proposal was brought to the trustees following which a robust, accountable appointment process was undertaken including interviews and other meetings involving YBA trustees and ministers from amongst our member churches. Following this, Revd Alex Harris was appointed to this role and formally joined the team in November 2021.

The review also resulted in decisions to seek appointments for new specialised roles within the team alongside Regional Ministers – a **Younger Adult Lead** and a **Communications & Digital Lead**. These roles have been identified as needed both within the YBA team and by our member churches as areas which would benefit from specific skills and knowledge. It is hoped that these appointments will be made during 2022.

As reported in 2020, we have continued to work closely with **St Hild College** as they seek to become a Baptist validating college. It has been many years since a new college was granted membership of BUGB, so much time and attention were needed to work towards making an application. Partnering with us in this is our fellow regional association – the East Midlands Baptist Association. Key conversations were held with relevant parties including Northern Baptist College and an accompanying

Report of the Trustees The Yorkshire Baptist Association (Incorporated)

group were appointed by BUGB. Of necessity this will be a lengthy process, and we will share further details as appropriate in future reports.

Some of the work of Jodie Thorpe, our **Children, Youth and Families Enabler**, took place online rather than in-person during 2021. Requests for guidance and support from amongst our member churches formed a significant proportion of her work alongside enabling networking among Yorkshire based CYF specialists. And connections with the national CYF Round Table continued to be important for sharing ideas and resources.

2021 was the second year of the partnership between YBA and Biglife Europe. While the year continued to be dominated by the impact of Coronavirus, the partnership continued to thrive with a largely online basis for activity. The vision for making disciples, drawing upon the biblical principles that Biglife is rooted in, continued to be shared with others. Inevitably, some grasped these principles more firmly than others, especially those who began to put them into practice. A number of training opportunities were offered to individual churches and to wider groups of people from across YBA. Following the training, where people wanted to take things forwards, Biglife offered coaching relationships to give continuing support and encouragement to a number of people across Yorkshire. Some people have come to faith in Jesus as a result and others have been encouraged to be more intentional about being disciples and making disciples. More than 40 churches have been engaged in some way within the partnership up to the end of 2021. In addition, Biglife has contributed to the support of the new Farsi worker within YBA and also to the teaching at St Hild College.

Following trustee conversations in 2020, the YBA offered a new resource to our member churches focussing on issues of justice called **Just Like Jesus: A YBA journey towards the Holy Justice of God**. We see justice as an over-arching motif refining and shaping every aspect of our life and mission as Christian disciples. Several groups used the material throughout the year and were supported in their conversations by Regional Minister, Mary Taylor. Trustees Nike Adebajo and Joe Kapolyo were also available as accompaniers to churches who engaged with the resources. Participants were challenged to consider many aspects of faith and justice as well as implementing changes personally and in their community. The outworking's of this will continue into the years to come.

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 Regional Team continue to look out for opportunities to plant new churches and congregations. One element of this is through our relationship with St Hild College and their Centre for Church Growth, creating support for church planters in the north. We were also pleased to be able to agree grant support for a new church plant based in the former Woodseats building in Sheffield. The plant has come from The Well Baptist Church in Sheffield and our hope is that this will grow to be a self-sustaining church in 5 years.

Following the decision in 2020 to facilitate a **Baptists Building Communities** project, our Property & Legal Officer, Ann Chesworth, took this forward. Unfortunately, an external funding application was not successful, but the project was brought back to trustees and YBA funding was agreed for a discrete aspect of the project. This enabled a cohort of five member churches to undertake a community audit and assessment of their buildings, and then to work with Masters Architect students from the University of Sheffield on re-imagining the use of their buildings as part of a Live Project. This took place during the second half of 2021 and continues in 2022.

Work on sorting and digitising trust and historic paper files continued as admin time allowed; this has been especially helpful to the work of the Property & Legal Officer in clarifying details of property transactions and trust matters relating to member churches when queries arise.

It is always a great sorrow to the Association when a member church closes, and we are encouraged when potential new member churches contact the Regional Team to explore what it means to be a member of the Yorkshire Baptist Association. Our church application process 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. We are sad to report the closure of Longley & Lowerhouses Community Church, Huddersfield at the end of 2021.

Sadly, **conflict resolution** continued to need support from the Regional Team as they were called in to work with ministers and churches when differences of view or relationship difficulties become a

Report of the Trustees

The Yorkshire Baptist Association (Incorporated)

source of significant conflict. Part of our review included looking at how this work could be supported in other ways, especially using the skills and expertise of The Blackley Centre. After much consultation, the Healthy Church Listening Team was devised. Working with The Blackley Centre we are seeking to build a team of volunteers who can get alongside churches and offer a deep, careful listening service to help churches identify ways forward in conflict situations. Volunteers will be trained and offered appropriate support through The Blackley Centre. It is anticipated that it will take some months to build the team so this initiative will continue in 2022.

Ministry Matters remained 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 utilised for BUGB accreditation interviews if circumstances required it. And following BUGB's introduction of Continuing Ministerial Development (CMD) for accredited ministers, the YBA encouraged and enabled ministers and leaders in the region to engage in this.

Our links with the London Institute for Contemporary Christianity have also continued with 6 churches engaged in a **Learning Hub**, supported by our Mission Enabler. Remote learning has impacted this initiative which has moved to a 2-year process; however, we are seeing stories of joy and life emerge from this as churches reflect together.

A range of grants are offered through the YBA – Home Mission ministry grants, grants for ministers engaging in learning, special project grants and so on. And the trustees have agreed that funds can be made available for church planting. We were especially pleased to be able to provide grant support for a Farsi Mission Enabler working across three churches in the Association – the focus of this role is to raise and disciple Farsi leaders and to make new disciples.

Governance and Administrative Matters – the trustees agreed to hold an online AGM during 2021. This was well supported and included input from our Executive Chair, YBA Treasurer and the Regional Ministers, as well as providing a space for feedback and questions from those churches who were present.

A full review of the **Risk Management** Strategy Document was undertaken during the year led by our Risk Management Trustee. A small number of amendments were made and accepted by the trustees.

Safeguarding continued to be a key area of work for the Association with our Safeguarding Trustee supporting the Regional 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. With limitations on in-person meeting at various times during the year, we did not offer face-to-face safeguarding training to our member churches but continued to encourage them to use an interim video training resource. In the final months of 2021, safeguarding trainers underwent refresher training as we look to holding courses in 2022. The Association also reviewed its own safeguarding policy and practices to ensure that trustees are appropriately trained and have up to date DBS (Disclosure and Barring Service) checks relevant to their role.

Our Regional Ministers continue to provide **Vision and Review** days for member churches as requested and several fellowships benefitted from this provision – these were offered both virtually and in-person depending on the circumstances at the time.

Financial Review

During the year to 31 December 2021 the YBA had a total income of £497,192 (2020: £784,237). There were gains on the valuations of investments of £204,632 (2020: £139,385). The total expenditure was £418,794 (2020: £380,078). The net result for the year was net movement in funds of £283,030 (2020: £543,544). 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 (2020: £30,000).

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

Report of the Trustees The Yorkshire Baptist Association (Incorporated)

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 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 21 excluding restricted funds and fixed assets totalled £283,518 (2020: £804,944).

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 placed 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. YBA does not actively raise funds from the public either directly or via use of an agent, accordingly no such amounts are presented in the financial statements for the year under review.

The charity has received no complaints in relation to fundraising activity for the year under review.

Plans for 2022

Looking to the future, our key plans for 2022 will include:

- Developing a Healthy Church Listening Team
- Appointing a Younger Adult Lead and a Communications & Digital Lead
- Maintaining our focus on matters of justice and enabling ministers and churches to become places of welcome for all
- Review our Baptists Building Communities project and look to next steps
- Making an application for St Hild College to be accepted as a member college of BUGB
- The re-introduction of in-person safeguarding training

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.

Report of the Trustees The Yorkshire Baptist Association (Incorporated)

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 in consultation with our investment advisers 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 this Trustees' Report.

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

Azets Audit Services Limited were appointed as auditors to the charity following their acquisition of the trade of Garbutt & Elliott Audit Limited on 1 December 2021. They 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 charitable 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 appropriate to presume that the charitable company will continue in business.

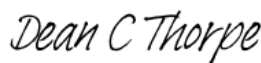
The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding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

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 17 May 2022 and signed on its behalf by:



.....
Kevin Quinton
Trustee and Chair of Trustees



.....
Dean Thorpe
Trustee and Treasurer

Independent Auditor's Report

The Yorkshire Baptist Association (Incorporated)

Opinion

We have audited the financial statements of The Yorkshire Baptist Association (Incorporated) for the year ended 31 December 2021 which comprise the statement of financial activities, the balance sheet, the cash flow statement and notes to the financial statements (including a summary of accounting policies). 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 2021 and of its surplus 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

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

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

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

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

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.

Auditor's responsibilities for the audit of the financial statements

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

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

Independent Auditor's Report

The Yorkshire Baptist Association (Incorporated)

Extent to which the audit was considered 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 companies and charities legislation), pensions legislation, taxation legislation and further laws and regulations that could indirectly affect the financial statements, comprising employment legislation and fundraising 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/or that restrictions have not been recognised; and
- subjective accounting estimates, and
- review of the recognition of and disclosure around custodian assets.

Fraud risks arise due to desire to present results in a differing light to meet management objectives. 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;
- testing the recognition of income and in particular that it was appropriately recognised or deferred and correctly classified;
- reviewing the reconciliation of, and disclosure around, the custodian assets and the vouching of source documents.

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.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Independent Auditor's Report

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.

Azets Audit Services Limited

Laura Masheder
For and on behalf of Azets Audit Services Limited

Chartered Accountants
Senior Statutory Auditor

27/05/2022.....

Triune Court
Monks Cross Drive
York
YO32 9GZ

The Yorkshire Baptist Association (Incorporated)

Statement of Financial Activities for the year ended 31 December 2021 (Including Income and Expenditure Account)

	Note	Unrestricted Funds	Restricted Funds	Total Funds 2021	Unrestricted Funds	Restricted Funds	Total Funds 2020
		£	£	£	£	£	£
Income from:							
Donations and legacies	2	31,094	11,716	42,810	31,000	-	31,000
Charitable activities	3	435,128	-	435,128	734,810	-	734,810
Investments		18,891	363	19,254	17,965	462	18,427
Total income		485,113	12,079	497,192	783,775	462	784,237
Expenditure on:							
Raising Funds	4	25,415	-	25,415	38,881	-	38,881
Charitable activities	5	381,126	12,253	393,379	340,641	556	341,197
Total expenditure		406,541	12,253	418,794	379,522	556	380,078
Net income before other recognised gains		78,572	(174)	78,398	404,253	(94)	404,159
Other recognised gains							
Net gains on investments		200,939	3,693	204,632	137,635	1,750	139,385
Net movement in funds	7	279,511	3,519	283,030	541,888	1,656	543,544
Balance brought forward	13/14	3,946,096	151,875	4,097,971	3,404,208	150,219	3,554,427
Balance carried forward	13/14	4,255,607	155,394	4,381,001	3,946,096	151,875	4,097,971

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 31 form part of these statement. 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 2021

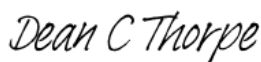
	Note	2021 £	2020 £
Fixed assets			
Tangible assets	9	1,394,352	827,304
Investments	10	2,669,968	2,429,779
		4,064,320	3,257,083
Current assets			
Debtors	11	108,768	83,423
Cash at bank and in hand		409,219	781,181
		517,987	864,604
Liabilities			
Creditors: Amounts falling due within one year	12	(201,306)	(23,716)
Net current assets		316,681	840,888
Total assets less current liabilities		4,381,001	4,097,971
Total net assets		4,381,001	4,097,971
Funds			
Restricted funds	13/14	155,394	151,875
Unrestricted funds	13/14	4,225,607	3,946,096
		4,381,001	4,097,971

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 17 May 2022 and signed on its behalf by:



Kevin Quinton
Trustee and Chair of Trustees



Dean Thorpe
Trustee and Treasurer

The notes on pages 15 to 31 form part of these financial statements.

Company number: 00181581

The Yorkshire Baptist Association (Incorporated)

Statement of Cash Flows for the Year Ended 31 December 2021

	Note	2021 £	2020 £
Cash Flows from operating activities:			
Net cash (used in)/ provided by operating activities	18	(546,469)	113,084
Cash Flows from investing activities:			
Dividends, interest and rents from investments		19,254	18,427
Proceeds from the sale of fixed assets		190,810	283,454
Proceeds from sale of investments		1,213,140	717,340
Purchase of investments		(1,248,697)	(723,095)
Net cash provided by investing activities		174,507	296,126
Change in cash and cash equivalents in the year		(371,962)	409,210
Cash and cash equivalents at the beginning of the year		781,181	371,971
Cash and cash equivalents at the end of the year		409,219	781,181

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

The Charity also holds cash in investments of £189,960 (2020: £39,491), this is held for investing purposes and accordingly is not included in the cash balances above.

The Yorkshire Baptist Association (Incorporated)

Notes to the Financial Statements for the Year Ended 31 December 2021

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 considerable economic uncertainty particularly over the impact of inflation, the charity continues to maintain considerable cash reserves, more than 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 2021

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.

Fund accounting

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

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.

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 6.

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 recognised 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 17, 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 2021

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
-----------------------------	-----------------

Freehold land and buildings comprise three manses, office space and two closed church buildings 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 trustees consider 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 2021 was 3.25% (2020: 3.1%).

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 2021

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.

No depreciation is charged on freehold land and buildings including closed church buildings 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 trustees consider that the residual value is at least equal to the carrying value.

2. Income from donations and legacies

	2021	2020
	£	£
Sundry donations and legacies (unrestricted)	31,094	31,000
Sundry donations and legacies (restricted)	11,716	-
	42,810	31,000

Donations and legacies in the year ended 31 December 2021 include:

Bottom Trust	30,000
Biglife India Appeal	11,716
Holland Legacy	1,094
	42,810

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 2021

3. Income from charitable activities

	2021 £	2020 £
BUGB core funding	179,426	203,597
Interest on loans to churches	12,803	13,810
Income from churches for services rendered	2,338	3,027
Closed churches income	237,114	512,597
Other Income	3,447	1,779
	435,128	734,810

All Income from charitable activities are unrestricted in both the current and previous financial year.

4. Expenditure on raising funds

	2021 £	2020 £
Office costs	13,056	14,382
Closed church property costs	12,359	24,499
	25,415	38,881

5. Expenditure on charitable activities

Activity or programme	Activities undertaken directly £	Grant funding of activities £	Support Costs (note 6) £	2021 £
Ministry	2,275	-	293,239	295,514
Mission	-	97,865	-	97,865
	2,275	97,865	293,329	393,379

Activity or programme	Activities undertaken directly £	Grant funding of activities £	Support Costs (note 6) £	2020 £
Ministry	2,016	-	264,250	266,266
Mission	-	74,931	-	74,931
	2,016	74,931	264,250	341,197

The Yorkshire Baptist Association (Incorporated)

Notes to the Financial Statements for the Year Ended 31 December 2021

5. Expenditure on charitable activities (continued)

Charitable Activity costs include the following grants:	2021 £	2020 £
Grants to institutions:		
Mission Grants	64,827	45,235
Biglife	22,038	17,696
NCPRI, Blackley	11,000	12,000
	97,865	74,931

Expenditure on charitable activities was £393,379 (2020: £341,197) of which £381,126 was unrestricted (2020: £340,641) and £12,253 was restricted (2020: £556).

6. Support costs

	2021 £	2020 £
Staff costs (note 8)	233,868	221,118
Regional Minister	18,992	9,522
Trust officer	10,902	10,561
Legal expenses	5,057	7,451
Governance	8,264	8,448
Other	16,156	7,150
	293,239	264,250

7. Net income for the year is stated after charging:

	2021 £	2020 £
Auditor's remuneration - Audit	4,830	4,375
- Accountancy	1,800	-
	6,630	4,375

8. 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:

	2021	2020
Mission	2	2
Ministry	7	7
	9	9

The Yorkshire Baptist Association (Incorporated)

Notes to the Financial Statements for the Year Ended 31 December 2021

8. Analysis of staff costs (continued)

Staff costs during the year were as follows:	2021 £	2020 £
Salaries	166,989	159,697
Social security costs	10,410	9,674
Pension costs	27,835	24,468
Other costs (Council Tax, Water charges, Accommodation)	28,634	27,279
	233,868	221,118

No employees earned £60,000 or more during the year (2020: no employee).

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

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 £59,235 (2020: £59,313).

No trustees received remuneration for their services during the current or previous financial year. Two trustees received reimbursed expenses during the year of £175 (2020: one trustee, £147).

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 £12,985 (2020: £10,223).

9. Tangible assets

	Closed Church Properties £	Freehold Land & Buildings £	Total £
Cost or valuation:			
At 1 January 2021	362,500	464,804	827,304
Additions at Cost	200,000	529,548	729,548
Disposals	(162,500)	-	(162,500)
At 31 December 2021	400,000	994,352	1,394,352
Depreciation:			
At 1 January 2021	-	-	2,338
Charge for the year	-	-	-
Disposals	-	-	(2,338)
At 31 December 2021	-	-	-
Net book value			
At 31 December 2021	400,000	994,352	1,394,352
Net book value			
At 31 December 2020	362,500	464,804	827,304

The Yorkshire Baptist Association (Incorporated)

Notes to the Financial Statements for the Year Ended 31 December 2021

9. Tangible assets (continued)

Included within land and buildings is one 'restricted' freehold property with a historical cost of £93,761 (2020: £93,761). This represents restricted funds used towards providing a manse for Buttershaw Baptist Church.

At 31 December 2021 there were two closed church properties under the stewardship of the Yorkshire Baptist Association, Slack Lane Baptist Church and Longley and Lowerhouses Baptist Church. At the balance sheet date, the market value of the properties have been included at a value of £400,000 on the balance sheet, these assets are likely to be realised within 12 months of the balance sheet date.

10. Investments

	Listed Investments	Bonds	Mixed Motive Investments	Cash	2021
	£	£	£	£	£
Cost/value brought forward	1,938,646	80,000	371,642	39,491	2,429,779
Additions	1,005,625	-	92,603	150,469	1,248,697
Disposals	(1,156,093)	-	(57,047)	-	(1,213,140)
Realised and unrealised gains	204,632	-	-	-	204,632
Cost/value carried forward	1,992,810	80,000	407,198	189,960	2,669,968

	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
Cost/value carried forward	1,938,646	80,000	371,642	39,491	2,429,779

At 31 December 2021 £55,211 (2020: £52,310) is included in debtors in respect of the mixed motive investments. These amounts represent loans to churches which total £462,409 (2020: £423,952). The historical cost of listed investments is £1,843,187 (2020: 1,657,866). Bonds and mixed motive investments which comprise loans to churches are carried at cost less any provision for impairment.

The Yorkshire Baptist Association (Incorporated)

Notes to the Financial Statements for the Year Ended 31 December 2021

11. Debtors

	2021	2020
	£	£
Trade debtors	53,557	31,113
Short term element of mixed motive loans to churches	55,211	52,310
	108,768	83,423

12. Creditors amounts falling due within one year

	2021	2020
	£	£
Accruals	7,956	5,520
Other Creditors	193,350	18,196
	201,306	23,716

The Yorkshire Baptist Association (Incorporated)

Notes to the Financial Statements for the Year Ended 31 December 2021

13. Analysis of movement in charitable funds

Year ended 31 December 2021	Balance 1 January 2021 £	Income £	Expenditure £	Net gains on investment £	Balance 31 December 2021 £
Unrestricted Funds					
General	3,946,096	485,113	(406,541)	200,939	4,225,607
Restricted Funds					
Temperance	2,100	-	-	-	2,100
Closed Churches	149,775	12,079	(12,253)	3,693	153,294
Total restricted funds	151,875	12,079	(12,253)	3,693	155,394
Total funds	4,097,971	497,192	(418,794)	204,632	4,381,001

Year ended 31 December 2020	Balance 1 January 2020 £	Income £	Expenditure £	Net gains on investment £	Balance 31 December 2020 £
Unrestricted Funds					
General	3,404,208	783,775	(379,522)	137,635	3,946,096
Restricted Funds					
Temperance	2,100	-	-	-	2,100
Closed Churches	148,119	462	(556)	1,750	149,775
Total restricted funds	150,219	462	(556)	1,750	151,875
Total funds	3,554,427	784,237	(380,078)	139,385	4,097,971

The Yorkshire Baptist Association (Incorporated)

Notes to the Financial Statements for the Year Ended 31 December 2021

13. Analysis of movement in charitable funds (continued)

Purpose of Restricted Funds:

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.

14. Analysis of net assets by fund

Year ended 31 December 2021	General £	Restricted £	2021 £
Fixed assets - Tangible assets	1,300,591	93,761	1,394,352
Investments	2,641,498	28,470	2,669,968
Net current assets	283,518	33,163	316,681
	4,225,607	155,394	4,381,001

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

15. 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:

	2021 £	2020 £
BUGB Core Funding	179,426	203,597

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 2021

15. Related party transactions (continued)

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

	2021	2020
	£	£
Donations to the BUGB Home Mission Fund from Association member churches	178,096	189,964

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.

	2021	2020
	£	£
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> .	2,338	3,027
Loans made to churches during the year	100,000	40,000
Loan repayments received from churches during the year	59,718	30,245
Interest on loans received from churches during the year	12,803	13,810
Fee paid to a church in respect of trust officer secondment	13,798	10,561
Grants made to churches during the year	58,936	41,866
Rent paid to a church in respect of the Association's offices	-	1,100

16. Legal status of the charitable company

The charitable 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.

17. 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 2021

17. 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:

<i>Type of assumption</i>	<i>% p.a.</i>
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

	2021	2020
	£	£
DC contributions	18,707	17,741
DB deficit contributions	9,128	6,727
	<u>27,835</u>	<u>24,468</u>

The Yorkshire Baptist Association (Incorporated)

Notes to the Financial Statements for the Year Ended 31 December 2021

17. Pension costs (continued)

Deficit payments of £8,970 per year have been agreed to clear the deficit by 2035, however there is no formal payment plan in place.

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 2021 of £65,100 (2020: £100,000). 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.

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

	2021	2020
	£	£
Net movement in funds	283,030	543,544
(Gains) on investments	(204,632)	(139,385)
Investment income	(19,254)	(18,427)
(Profit) on the sale of fixed assets	(28,310)	(83,454)
Purchase of tangible fixed assets	(529,548)	-
Assets transferred at fair value	(200,000)	(200,000)
(Increase)/decrease in debtors	(25,345)	10,310
Increase in creditors	177,590	496
	(546,469)	113,084

The Yorkshire Baptist Association (Incorporated)

Notes to the Financial Statements for the Year Ended 31 December 2021

19. 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 2021 and 2020:

	Investments	Cash Deposits	Total	Investments	Cash Deposits	Total
	2021	2021	2021	2020	2020	2020
	£	£	£	£	£	£
Barnsley - Sheffield Road	-	19,735	19,735	-	19,733	19,733
Barnsley - Ward Green	-	268,421	268,421	-	268,392	268,392
Bingley	7,223	279,210	286,433	6,352	3,952	10,304
Blackley	-	100,201	100,201	-	20,418	20,418
Bradford - Buttershaw	-	5,804	5,804	-	18,803	18,803
Bradford - Clayton	3,600	7,693	11,293	3,849	7,692	11,541
Bradford - Tetley Street	-	40,890	40,890	-	40,886	40,886
Bradford - Westgate	10,676	20,236	30,912	9,416	20,234	29,650
Bridlington	-	9,553	9,553	-	9,551	9,551
Conisbrough	-	1,262	1,262	-	1,262	1,262
Dewsbury	42,445	28,952	71,397	37,416	28,949	66,365
Carried Forward	63,944	781,957	845,901	57,033	439,872	496,905

The Yorkshire Baptist Association (Incorporated)

Notes to the Financial Statements for the Year Ended 31 December 2021

19. Custodian trust assets (continued)

	Investments	Cash Deposits	Total	Investments	Cash Deposits	Total
	2021	2021	2021	2020	2020	2020
	£	£	£	£	£	£
Brought forward	63,944	781,957	845,901	57,033	439,872	496,905
Doncaster - Chequer Road	-	15,914	15,914	-	15,912	15,912
Earby	-	3,564	3,564	-	3,563	3,563
Farsley	8,621	599,753	608,374	7,604	599,315	606,919
Gildersome	-	-	-	-	2,707	2,707
Golcar	8,304	5,374	13,678	8,654	5,373	14,027
Guiseley	-	3,273	3,273	-	3,272	3,272
Hebden Bridge – Hope	-	2,651	2,651	-	2,651	2,651
Huddersfield - Birkby	-	76,247	76,247	-	81,239	81,239
Huddersfield - Milnsbridge	-	10,243	10,243	-	10,242	10,242
Huddersfield - New North Road	-	14,576	14,576	-	14,575	14,575
Huddersfield - Oakes	-	33,579	33,579	-	33,575	33,575
Huddersfield - Salendine Nook	1,016	7,602	8,618	750	7,601	8,352
Hull - Boulevard	-	50,490	50,490	-	50,484	50,484
Hull - Priory	-	29,957	29,957	-	29,957	29,957
Keighley	51,967	36,866	88,833	47,726	36,862	84,587
Leeds - Armley	18,025	1,409	19,434	16,115	-	16,115
Leeds - Blenheim	-	295,434	295,434	-	295,403	295,403
Leeds - Bramley	-	4,615	4,615	-	4,614	4,614
Leeds - Moortown	-	50,793	50,793	-	50,787	50,787
Leeds - Revive	-	4,701	4,701	-	4,700	4,700
Carried Forward	151,877	2,028,998	2,180,875	137,882	1,692,704	1,830,586

The Yorkshire Baptist Association (Incorporated)

Notes to the Financial Statements for the Year Ended 31 December 2021

19. Custodian trust assets (continued)

	Investments	Cash Deposits	Total	Investments	Cash Deposits	Total
	2021	2021	2021	2020	2020	2020
	£	£	£	£	£	£
Brought forward	151,877	2,028,998	2,180,875	137,882	1,692,704	1,830,586
Leeds - York Road	-	3,744	3,744	-	3,744	3,744
ME Iredale Trust	-	13,245	13,245	-	13,243	13,243
Meltham	-	10,998	10,998	-	10,998	10,998
Mexborough	-	7,408	7,408	-	7,407	7,407
Mirfield	22,378	71,264	93,642	19,738	81,256	100,994
Normanton	-	109,447	109,447	-	109,435	109,435
Queensbury	-	44,078	44,078	-	44,073	44,073
Rawdon	-	43,478	43,478	-	43,473	43,473
Rotherham	-	5,268	5,268	-	5,267	5,267
Rothwell	-	38,276	38,276	-	38,272	38,272
Salterforth	-	3,696	3,696	-	3,695	3,695
Scapegoat Hill	-	318,963	318,963	-	270,925	270,925
Scarborough - Albemarle	-	21,033	21,033	-	21,031	21,031
Sheffield - Cemetery Road	11,000	406,136	417,136	11,000	711	11,711
Sheffield - Darnall Road	-	18,153	18,153	-	18,151	18,151
South Craven	118,573	20,475	139,048	102,713	26,597	129,310
Todmorden - Roomfield	-	4,525	4,525	-	4,525	4,525
Todmorden - Vale	-	25,964	25,964	-	25,961	25,961
Total	303,828	3,195,149	3,498,977	271,333	2,421,468	2,692,801