

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 2022**

The Yorkshire Baptist Association (Incorporated)

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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 2022.

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 2022:

Revd Kenny Brown (appointed 17 January 2023)	Mr John Crosse
Miss Charlotte Hendy	Revd Joseph Kapolyo
Mrs Gill Knowles	Mr Kevin Quinton
Mr Dean Thorpe	
Mr Chris Bishop (resigned 31 December 2022)	
Dr Adenike Adebajo (resigned 31 August 2022)	

Our bankers are:

Virgin Money
94-96 Briggate
Leeds LS1 6NP

The Charities Official Investment Fund
80 Cheapside
London EC2V 6DZ

Our auditor is:

Azets Audit Services Limited
33 Park Place
Leeds LS1 2RY

Our investments advisers are:

LGT Vestra LLP
14 Cornhill
London EC3V 3NR

Our solicitors are:

Thursfields Solicitors
Neville House
Steelpark Road
Halesowen B62 8HD

The Yorkshire Baptist Association (Incorporated)

Report of the Trustees

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 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 elected 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 2022 are shown on page 1 and include the resignation of Rev Dr Adenike Adebajo who, following an open application process, was appointed as Regional Minister for the YBA. We were pleased to gain one new trustee at the beginning of 2023. 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. 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 until 31 July 2022
Revd Mary Taylor	Regional Minister until 31 March 2022
Revd Dr Adenike Adebajo	Regional Minister from 1 September 2022
Revd Ann Chesworth	Property & Legal Officer
Iris Cheung	Administrator from 1 January 2023
Julie Crabtree	Administrator
Revd Peter Dunn	Discipleship Enabler
Revd Graham Ensor	Regional Minister Team Leader
Naomi Fennell	Young Adult Lead from 19 September 2022
Debbie Gamble	Office Manager
Revd Alex Harris	Regional Minister Pioneering & Church Planting'
Hannah Harris	Finance Officer from 1 February 2022
Dan Morrell	Communications and Digital Lead from 20 June 2022
Revd Kez Robinson	Mission Enabler, then Regional Minister from 1 March 2022
Jodie Thorpe	Children, Youth & Families Enabler
Dean Thorpe	Treasurer

Partnerships and Related Parties

The Association works in partnership with Northern Baptist College, St Hild College, Biglife Europe, BMS World Mission, other Regional 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. Declaration of interests is also included as a standing item at every Executive meeting.

The Yorkshire Baptist Association (Incorporated)

Report of the Trustees (continued)

During 2022 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 & 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 nearly 100 churches, individually and collectively committed to participating in the mission of God. Our vision is to 'make disciples through multiplying healthy churches across Yorkshire' - we do this not only by relating, renewing and resourcing the local church, which is the primary agent for God's mission, but also through investing in the YBA's six priorities:

- Planting, revitalising, and reimagining
- Leadership development (Continuing Ministerial Development)
- Developing a pipeline of younger missional leaders
- Creating new pathways into missional ministry
- Promoting justice and encouraging diversity
- Supporting digital development

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

During 2022 our focus has been firmly on our vision of "Making Disciples through Multiplying Healthy Churches across Yorkshire". And our six priorities have continued to be at the forefront of our decisions and action.

Looking back to our 2021 Trustees Report, we are pleased to report that all the identified key plans for 2022 have been included in our actions during the year.

Early in 2022, conversations continued with regards to **St Hild College** and also **St Hild Centre for Church Planting**. Jointly with the East Midlands Baptist Association we are commending St Hild College to BUGB for membership of the Union. This commendation is rooted in our need for a strong pipeline of younger missional leaders who will be essential as we look to our overarching priority of planting, revitalising and reimagining church and ministry for the future. An Accompanying Group was formed by BUGB to facilitate the application and decision-making process. Unfortunately, the application for BUGB membership was not successful when it was considered by BU Council in March 2022. However, work has continued during 2022 on understanding the reasons for this and we are looking to bring a further application in the future.

Team changes - we were sad to say goodbye to Revd Mary Taylor and to Revd Dr Clive Burnard as they retired during 2022. Unfortunately, Mary's farewell event which was planned at Wakefield Baptist Church was disrupted by Covid and took place on-line, but Clive's was able to take place in-person and was hosted by our friends at Hillsborough Baptist Church. Both offered significant times for us to recognise all that they brought to the YBA and to say thanks for their service.

Following the **staff team review** the previous year, 2022 saw significant work being done on new team appointments. Each role had a detailed description and person specification which was based on the relevant priority areas, and recruitment searches were done throughout the year. The results of this were the appointment of Hannah Harris as Finance Officer from July, Revd Kez Robinson as Regional Minister from March, Dan Morrell as Communications & Digital Lead from June, Revd Dr Adenike Adebajo as Regional Minister and Naomi Fennell as Young Adult Lead from September and Iris Cheung as Administrator from January 2023. We were pleased to welcome these new members to the staff team and look forward to seeing the fruits of their work in the coming months and years.

The Yorkshire Baptist Association (Incorporated)

Report of the Trustees (continued)

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. A summary of ministry changes amongst our member churches during 2022 reveals 20 settlements or changes, a significant number of our member churches. We are especially encouraged by those who have completed their time as Ministers in Training and have been called to remain in Yorkshire as they begin their time as Newly Accredited Ministers. Early in 2022, interviews with ministry applicants were facilitated through the use of online video and plenary sessions in response to local Covid outbreaks, but later in the year the Ministry Group were pleased to return to in-person interviews, particularly with Newly Accredited Ministers at the point of final commendation. The Ministry Group welcomed two new members during the year including a new Interim Chair and Vice Chair. And during the Autumn an on-line Explore Your Call session was held with 8 people connecting in with Regional Ministers Graham and Nike – we look forward to supporting these individuals as they seek God's call on their lives into the future.

Our **Healthy Church Listening Teams** initiative in partnership with the Blackley Centre was launched early in 2022 as we sought folk to join the Teams. A low number of applications were received and it was not felt that there was sufficient diversity amongst the applicants. After a period of reflection, it was decided to pause this until the new staff team members have embedded into their roles and this initiative will be considered again. Sadly, conflict resolution support is sometimes needed when differences of opinion or relationship issues occur in church life. Our hope is that these Teams will support healthy conversations when conflicts arise.

Ministerial Development Groups facilitated by a Regional Minister continued, meeting by video conference call or in-person. These small groups of ministers meet regularly for support, continued learning and reflective practice.

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

Safeguarding is 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 or when complicated situations arise which require input from statutory bodies. 2022 also saw the return of in-person safeguarding training facilitated by our local trainers using BUGB **Excellence in Safeguarding training** material. A total of 25 courses were held throughout the region, both at Level 2 and Level 3. All of this work is underpinned by the excellent model policies and guideline documents which are available to the Association and our member churches through the Baptist Union of GB.

Peter Dunn of **Biglife Europe** continues as a key seconded member of the YBA team as our Discipleship Enabler. Several churches are linked with Biglife and are using Disciple Making Movement (DMM) principles; launch groups, seeker groups and disciple groups are taking place throughout the region with some groups being facilitated elsewhere in the UK by Yorkshire based folk. Biglife brings two things to the YBA – it is a tool for sharing Good News and is an authentic expression of new church. It directly supports our YBA priority of planting, revitalising, and reimagining. We were pleased to review the past three years of the partnership between the YBA and Biglife and were unanimous in agreeing to continuing the partnership for a further three years.

In September, we launched the pilot of the **YBA Intern Home-Hub Church** scheme, supported by our Young Adult Lead Naomi Fennell. The scheme facilitates a young adult being hosted by and serving in a church, and once a week they attend a school of ministry in the region. They use that time to be with other interns and engage in teaching, discussions and learn how to pray, worship, and share their faith. We currently have three interns participating in this scheme.

The **Baptists Building Communities** project continued into 2022 supported by our Property & Legal Officer, Ann Chesworth. The churches involved were all from very different situations and there is a sense that the initial stage of this is now concluded. Key learning points were shared by Ann with the trustees and we await details of any new opportunity to engage with the University of Sheffield in the future.

The Yorkshire Baptist Association (Incorporated) Report of the Trustees (continued)

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. Work has started on looking at how we can best support and enable the different expressions of church which are emerging in the region, to ensure that good structures are in place to enable Kingdom work to flourish. We are sad to report the closure of Malton Baptist Church, and of local ecumenical partnership churches Wesley Road, Armley and Trinity Keighley.

Our links with the London Institute for Contemporary Christianity have also continued with churches engaged in a **Learning Hub**, supported by Regional Minister Kez Robinson. We are seeing stories of joy and life emerge from this as churches reflect together.

Over three months in the Autumn of 2022, the staff team hosted a series of **Food for Thought gatherings**, meeting with ministers and leaders from our member churches, sharing food together and a conversation about what it means to support and empower one another as we serve Jesus's Church here in Yorkshire. We discussed what **making disciples through multiplying healthy churches across Yorkshire** could look like - and the part we each play in that. We shared our six priorities, with focused time on our lead priority of **planting new churches, revitalising our existing churches and reimagining what the future Church might look like**. We asked how we all might contribute towards this direction of travel and sought feedback from those gathered.

During the year Jodie Thorpe, our **Children, Youth and Families Enabler**, was available to support churches with guidance and resources on this key area of church life. And in November this culminated in hosting a day for CYF Leaders to network together at The Blackley Centre for chat, prayer, encouragement and learning together as they explored how to be trauma aware.

A range of grants are currently offered through the YBA – Home Mission ministry grants, grants for ministers engaging in learning, special project grants and so on. And the trustees have previously agreed that funds can be made available for church planting. A thorough review of grants was commenced in 2022 facilitated by our Finance Officer and it is anticipated that our grant priorities and processes will be updated and re-launched in 2023.

Governance and Administrative Matters – the trustees agreed to hold an online AGM during 2022 and then became aware that this would be the 100th AGM. After discussion it was agreed that an online event would not be appropriate for such a key date, so the next AGM is being held in Spring 2023.

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

Financial Review

During the year to 31 December 2022 the YBA had a total income of £388,532 (2021: £497,192). There were losses on the valuations of investments of £312,999 (2021: gains of £204,632). The total expenditure was £483,145 (2021: £418,794). The net result for the year was net movement in funds of (£407,612) (2021: £283,030). 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 (2021: £30,000).

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

The YBA's reserves policy continues to comprise of two elements: firstly, the YBA maintains a general reserve equivalent to approximately six months' General Fund expenditure (approximately £240,000), 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 then transfer remaining balances into the general fund.

The Yorkshire Baptist Association (Incorporated) Report of the Trustees (continued)

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 22 excluding restricted funds and fixed assets totalled (£22,290) (2021: £283,518), however, in early 2023 free reserves have been boosted by the sale of closed church Slack Lane with at least another two properties expected to be sold within the first half of 2023.

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 management 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.

Plans for 2023

Looking to the future, our key actions for 2023 will include:

- Whole team safeguarding training and healthy team sessions utilising the skills of BUGB's HR and Safeguarding Team members.
- Supporting St Hild College in making a new application for membership of BUGB.
- An in-person Assembly and 100th AGM during the Spring of 2023.
- Launching new grant processes and priorities.
- Reviewing our governing document, Staff and Trustee Handbook and other key documents.
- Hosting a Pioneer and Planters Weekend to connect those who have a shared passion for pioneering and planting across Yorkshire.
- Hosting a Ministers Conference during the Autumn.
- Developing an appropriate, flexible support process for new churches and expressions of church to become members of the Association.

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. Key areas where volunteers play an essential role is on the Finance, Ministry and Trust groups as well as the implementation of safeguarding training.

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 objectives of the churches and charities are in line with the objectives 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 20 in the financial statements.

The Yorkshire Baptist Association (Incorporated)

Report of the Trustees (continued)

Auditor

Azets Audit Services Limited were appointed as auditors to the charity in accordance with Section 145 of the Charities Act 2011.

Azets Audit Services 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 appropriate 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.

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 April 2023 and signed on its behalf by:

Kevin Quinton

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

Dean C Thorpe

.....
Dean Thorpe
Trustee and Treasurer

The Yorkshire Baptist Association (Incorporated)

Independent Auditor's Report to the Trustees of The Yorkshire Baptist Association (Incorporated)

Opinion

We have audited the financial statements of The Yorkshire Baptist Association (Incorporated) (the 'charitable company') for the year ended 31 December 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2022 and of its incoming resources and application of resources including, the income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the 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 charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

The Yorkshire Baptist Association (Incorporated)

Independent Auditor's Report to the Trustees of The Yorkshire Baptist Association (Incorporated) (continued)

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters where 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; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees for the financial statements

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 the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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.

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.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

The Yorkshire Baptist Association (Incorporated)

Independent Auditor's Report to the Trustees of The Yorkshire Baptist Association (Incorporated) (continued)

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the charitable company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias; and
- Performing audit work over the timing and recognition of revenue and in particular whether it has been recorded in the correct accounting period.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Use of our report

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

Azets Audit Services Limited

Jessica Lawrence
For and on behalf of Azets Audit Services Limited

24/04/2023

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Chartered Accountants
Senior Statutory Auditor

33 Park Place
Leeds
LS1 2RY

The Yorkshire Baptist Association (Incorporated)

Statement of Financial Activities for the year ended 31 December 2022 (Including Income and Expenditure Account)

	Note	Unrestricted Funds	Restricted Funds	Total Funds 2022	Unrestricted Funds	Restricted Funds	Total Funds 2021
		£	£	£	£	£	£
Income from:							
Donations and legacies	2	30,000	-	30,000	31,094	11,716	42,810
Charitable activities	3	322,493	-	322,493	435,128	-	435,128
Investments		34,966	1,073	36,039	18,891	363	19,254
Total income		387,459	1,073	388,532	485,113	12,079	497,192
Expenditure on:							
Raising Funds	4	36,235	-	36,235	25,415	-	25,415
Charitable activities	5	446,196	714	446,910	381,126	12,253	393,379
Total expenditure		482,431	714	483,145	406,541	12,253	418,794
Net (expenditure)/income before other recognised (losses)/gains		(94,972)	359	(94,613)	78,572	(174)	78,398
Other recognised gains							
Net (losses)/gains on investments	10	(312,580)	(419)	(312,999)	200,939	3,693	204,632
Net movement in funds	13/14	(407,552)	(60)	(407,612)	279,511	3,519	283,030
Balance brought forward	13/14	4,225,607	155,394	4,381,001	3,946,096	151,875	4,097,971
Balance carried forward	13/14	3,818,055	155,334	3,973,389	4,255,607	155,394	4,381,001

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 14 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 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	9	1,508,419	1,394,352
Investments	10	2,450,494	2,669,968
		3,958,913	4,064,320
Current assets			
Debtors	11	94,659	108,768
Cash at bank and in hand		163,552	409,219
		258,211	517,987
Liabilities			
Creditors: Amounts falling due within one year	12	(243,735)	(201,306)
Net current assets		14,476	316,681
Total assets less current liabilities		3,973,389	4,381,001
Total net assets		3,973,389	4,381,001
Funds			
Restricted funds	13/14	155,334	155,394
Unrestricted funds	13/14	3,818,055	4,225,607
		3,973,389	4,381,001

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 April 2023 and signed on its behalf by:

Kevin Quinton

Dean C Thorpe

Kevin Quinton
Trustee and Chair of Trustees

Dean Thorpe
Trustee and Treasurer

The notes on pages 14 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 2022

	Note	2022 £	2021 £
Cash Flows from operating activities:			
Net cash used in operating activities	18	(188,181)	(546,469)
Cash Flows from investing activities:			
Dividends, interest and rents from investments		36,039	19,254
Proceeds from the sale of fixed assets		-	190,810
Proceeds from sale of investments		972,939	1,213,140
Purchase of investments		(1,066,464)	(1,248,697)
Net cash (used in)/provided by investing activities		(57,486)	174,507
Change in cash and cash equivalents in the year		(245,667)	(371,962)
Cash and cash equivalents at the beginning of the year		409,219	781,181
Cash and cash equivalents at the end of the year		163,552	409,219

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

The Charity also holds cash in investments of £45,359 (2021: £189,960), 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 2022

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 at least 12 months from the date of signing this report 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 2022

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 2022

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
Closed churches	Not depreciated

Freehold land and buildings comprise three manses and five 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 2022 was 6.0% (2021: 3.25%).

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 2022

Accounting policies (continued)

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

	2022	2021
	£	£
Sundry donations and legacies (unrestricted)	30,000	31,094
Sundry donations and legacies (restricted)	-	11,716
	30,000	42,810

Donations and legacies in the year ended 31 December 2022 include:

Bottom Trust	30,000	30,000
Legacies	-	1,094
Biglife India Appeal Restricted Income	-	11,716
	30,000	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 2022

3. Income from charitable activities

	2022	2021
	£	£
BUGB core funding	218,112	179,426
Interest on loans to churches	19,925	12,803
Income from churches for services rendered	3,648	2,338
Closed churches income	75,867	237,114
Other Income	4,941	3,447
	322,493	435,128

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

4. Expenditure on raising funds

	2022	2021
	£	£
Office costs	13,299	13,056
Closed church property costs	22,937	12,359
	36,235	25,415

5. Expenditure on charitable activities

Activity or programme	Activities undertaken directly	Grant funding of activities	Support Costs (note 6)	2022
	£	£	£	£
Ministry	3,358	-	310,199	313,557
Mission	-	133,353	-	133,353
	3,358	133,353	310,199	446,910

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

The Yorkshire Baptist Association (Incorporated)

Notes to the Financial Statements for the Year Ended 31 December 2022

5. Expenditure on charitable activities (continued)

Charitable Activity costs include the following grants:	2022 £	2021 £
Grants to institutions:		
Mission Grants	112,855	64,827
Biglife	11,498	22,038
NCPRIIR, Blackley	9,000	11,000
	133,353	97,865

Expenditure on charitable activities was £446,910 (2021: £393,379) of which £446,196 was unrestricted (2021: £381,126) and £714 was restricted (2021: £12,253).

6. Support costs

	2022 £	2021 £
Staff costs (note 8)	250,261	233,868
Regional Minister	23,835	18,992
Trust officer	10,624	10,902
Legal expenses	3,151	5,057
Governance	8,314	8,264
Other	14,014	16,156
	310,199	293,239

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

	2022 £	2021 £
Auditor's remuneration - Audit (excluding VAT)	5,800	4,830
- Accountancy (excluding VAT)	2,150	1,800
	7,950	6,630

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:

	2022	2021
Mission	2	2
Ministry	6	7
	8	9

The Yorkshire Baptist Association (Incorporated)

Notes to the Financial Statements for the Year Ended 31 December 2022

8. Analysis of staff costs (continued)

Staff costs during the year were as follows:	2022 £	2021 £
Salaries	183,698	166,989
Social security costs	11,660	10,410
Pension costs	25,529	27,835
Other costs (Council Tax, Water charges, Accommodation)	29,374	28,634
	250,261	233,868

No employees earned £60,000 or more during the year (2021: 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 £59,544 (2021: £59,235).

No trustees received remuneration for their services during the current or previous financial year. Two trustees received reimbursed expenses during the year of £255 (2021: two trustees, £175).

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 £10,519 (2021: £12,985).

9. Tangible assets

	Closed Church Properties £	Freehold Land & Buildings £	Total £
Cost or valuation:			
At 1 January 2022	400,000	994,352	1,394,352
Additions at Cost	62,500	51,567	114,067
Disposals			
Transfer	15,000	(15,000)	-
At 31 December 2022	477,500	1,030,919	1,508,419
Depreciation:			
At 1 January 2022	-	-	-
Charge for the year	-	-	-
Disposals	-	-	-
At 31 December 2022	-	-	-
Net book value			
At 31 December 2022	477,500	1,030,919	1,508,419
Net book value			
At 31 December 2021	400,000	994,352	1,394,352

The Yorkshire Baptist Association (Incorporated)

Notes to the Financial Statements for the Year Ended 31 December 2022

9. Tangible assets (continued)

Included within land and buildings is one 'restricted' freehold property with a historical cost of £93,761 (2021: £93,761). This represents restricted funds used towards providing a manse for Buttershaw Baptist Church.

At 31 December 2022 there were four closed church properties under the stewardship of the Yorkshire Baptist Association, Slack Lane Baptist Church, Longley and Lowerhouses Baptist Church, Cowling Hill and Malton. An additional closed church at Woodseats is included as Freehold Land & Buildings as it is now home to a newly planted church. At the balance sheet date, the market value of the properties have been included at a value of £477,500.

10. Investments

	Listed Investments	Bonds	Mixed Motive Investments	Cash	2022
	£	£	£	£	£
Cost/value brought forward	1,992,810	80,000	407,198	189,960	2,669,968
Additions	917,423	-	149,041	-	1,066,464
Disposals	(786,767)	-	(55,514)	(130,658)	(972,939)
Realised and unrealised gains	(299,056)	-	-	(13,943)	(312,999)
Cost/value carried forward	1,824,410	80,000	500,725	45,359	2,450,494

	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

At 31 December 2022 £49,571 (2021: £55,211) is included in debtors in respect of the mixed motive investments. These amounts represent loans to churches which total £550,296 (2021: £462,409). The historical cost of listed investments is £1,830,011 (2021: £1,843,187). 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 2022

11. Debtors

	2022	2021
	£	£
Trade debtors	45,088	53,557
Short term element of mixed motive loans to churches	49,571	55,211
	94,659	108,768

12. Creditors amounts falling due within one year

	2022	2021
	£	£
Accruals	7,950	7,956
Other Creditors	235,785	193,350
	243,735	201,306

The Yorkshire Baptist Association (Incorporated)

Notes to the Financial Statements for the Year Ended 31 December 2022

13. Analysis of movement in charitable funds

Year ended 31 December 2022	Balance 1 January 2022 £	Income £	Expenditure £	Net (losses)/gains on investment £	Balance 31 December 2022 £
Unrestricted Funds					
General	4,225,607	387,459	(482,431)	(312,580)	3,818,055
Restricted Funds					
Temperance	2,100	-	-	-	2,100
Closed Churches	153,294	1,073	(714)	(419)	153,234
Total restricted funds	155,394	1,073	(714)	(419)	155,334
Total funds	4,381,001	388,532	(483,145)	(312,999)	3,973,389

Year ended 31 December 2021	Balance 1 January 2021 £	Income £	Expenditure £	Net (losses)/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

The Yorkshire Baptist Association (Incorporated)

Notes to the Financial Statements for the Year Ended 31 December 2022

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 2022	General £	Restricted £	2022 £
Fixed assets - Tangible assets	1,414,658	93,761	1,508,419
Investments	2,425,686	24,808	2,450,494
Net current assets	(22,290)	36,765	14,476
	3,818,055	155,334	3,973,389

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

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:

	2022 £	2021 £
BUGB Core Funding	218,112	179,426

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 2022

15. Related party transactions (continued)

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

	2022 £	2021 £
Donations to the BUGB Home Mission Fund from Association member churches	180,492	178,096

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.

	2022 £	2021 £
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> .	3,648	2,338
Loans made to churches during the year	151,301	100,000
Loan repayments received from churches during the year	63,414	59,718
Interest on loans received from churches during the year	19,925	12,803
Fee paid to a church in respect of trust officer secondment	10,519	13,798
Grants made to churches during the year	99,988	58,936

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 2022

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:

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, however as at date of signing accounts, no valuation has yet been performed.

Pension cost for the year

	2022	2021
	£	£
DC contributions	20,121	18,707
DB deficit contributions	5,408	9,128
	<u>25,529</u>	<u>27,835</u>

In the year, estimated debt has been reduced to £nil (2021: £65,100) by paying outstanding estimated debt to scheme providers.

The Scheme has provided an estimate of the costs to leave the scheme, which would equate to £1,000. This is for information only, as it is not payable until the YBA ceases to employ any active members of the Scheme or leave the scheme, which eventuality is considered to be extremely unlikely.

The Yorkshire Baptist Association (Incorporated)

Notes to the Financial Statements for the Year Ended 31 December 2022

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

	2022	2021
	£	£
Net movement in funds	(407,612)	283,030
Losses/(gains) on investments	312,999	(204,632)
Investment income	(36,039)	(19,254)
(Profit) on the sale of fixed assets	-	(28,310)
Purchase of tangible fixed assets	(114,067)	(529,548)
Assets transferred at fair value	-	(200,000)
(Increase)/decrease in debtors	14,109	(25,345)
Increase/(decrease) in creditors	42,429	177,590
	(188,181)	(546,469)

19. Post balance sheet events

Subsequent to the year end, a closed church property at Slack Lane was sold at a profit of £29k.

The Yorkshire Baptist Association (Incorporated)

Notes to the Financial Statements for the Year Ended 31 December 2022

20. 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 2022 and 2021:

	Investments		Cash Deposits		Total		Investments		Cash Deposits		Total	
	2022	£	2022	£	2022	£	2021	£	2021	£	2021	£
Barnsley - Sheffield Road	-	-	19,915	19,915	19,915	-	-	-	19,735	19,735	19,735	19,735
Barnsley - Ward Green	-	-	270,873	270,873	270,873	-	-	-	268,421	268,421	268,421	268,421
Bingley	6,265	-	5,995	12,260	12,260	7,223	7,223	279,210	279,210	286,433	286,433	286,433
Blackley	-	-	101,116	101,116	101,116	-	-	-	100,201	100,201	100,201	100,201
Bradford - Buttershaw	-	-	-	-	-	-	-	-	5,804	5,804	5,804	5,804
Bradford - Clayton	3,273	-	7,763	11,036	11,036	3,600	3,600	7,693	7,693	11,293	11,293	11,293
Bradford - Tetley Street	-	-	41,264	41,264	41,264	-	-	-	40,890	40,890	40,890	40,890
Bradford - Westgate	10,081	-	20,421	30,502	30,502	10,676	10,676	20,236	20,236	30,912	30,912	30,912
Bridlington	-	-	9,551	9,551	9,551	-	-	-	9,553	9,553	9,553	9,553
Conisbrough	-	-	1,273	1,273	1,273	-	-	-	1,262	1,262	1,262	1,262
Dewsbury	39,457	-	14,108	53,565	53,565	42,445	42,445	28,952	28,952	71,397	71,397	71,397
Carried Forward	59,076	-	492,279	551,355	551,355	63,944	63,944	781,957	781,957	845,901	845,901	845,901

The Yorkshire Baptist Association (Incorporated)

Notes to the Financial Statements for the Year Ended 31 December 2022

20. Custodian trust assets (continued)

	Investments	Cash Deposits	Total	Investments	Cash Deposits	Total
	2022	2022	2022	2021	2021	2021
	£	£	£	£	£	£
Brought forward	59,076	492,279	551,355	63,944	781,957	845,901
Doncaster - Chequer Road	-	16,060	16,060	-	15,914	15,914
Earby	-	17	17	-	3,564	3,564
Farsley	8,141	605,675	613,816	8,621	599,753	608,374
Gildersome	-	-	-	-	-	-
Golcar	6,757	5,532	12,289	8,304	5,374	13,678
Guiseley	-	3,302	3,302	-	3,273	3,273
Hebden Bridge – Hope	-	2,651	2,651	-	2,651	2,651
Huddersfield - Birkby	-	76,944	76,944	-	76,247	76,247
Huddersfield - Milnsbridge	-	10,337	10,337	-	10,243	10,243
Huddersfield - New North Road	-	14,709	14,709	-	14,576	14,576
Huddersfield - Oakes	-	33,885	33,885	-	33,579	33,579
Huddersfield - Salendine Nook*	163,792	7,671	171,464	187,018	7,602	194,620
Hull - Boulevard	-	50,951	50,951	-	50,490	50,490
Hull - Priory	-	28,197	28,197	-	29,957	29,957
Keighley	44,409	36,347	80,756	51,967	36,866	88,833
Leeds - Armley	16,851	1,871	18,722	18,025	1,409	19,434
Leeds - Blenheim	-	298,133	298,133	-	295,434	295,434
Leeds - Bramley	-	4,657	4,657	-	4,615	4,615
Leeds - Moortown	-	51,257	51,257	-	50,793	50,793
Leeds - Revive	-	4,743	4,743	-	4,701	4,701
Carried Forward	299,026	1,745,218	2,044,245	337,879	2,028,998	2,366,877

The Yorkshire Baptist Association (Incorporated)

Notes to the Financial Statements for the Year Ended 31 December 2022

20. Custodian trust assets (continued)

	Investments	Cash Deposits	Total	Investments	Cash Deposits	Total
	2022	2022	2022	2021	2021	2021
	£	£	£	£	£	£
Brought forward	299,026	1,745,218	1,882,821	151,877	2,028,998	2,180,875
Leeds - York Road	-	3,779	3,779	-	3,744	3,744
ME Iredale Trust	-	13,366	13,366	-	13,245	13,245
Meltham	-	10,998	10,998	-	10,998	10,998
Mexborough	-	7,476	7,476	-	7,408	7,408
Mirfield	21,132	71,915	93,047	22,378	71,264	93,642
Normanton	-	110,446	110,446	-	109,447	109,447
Queensbury	-	44,480	44,480	-	44,078	44,078
Rawdon	-	43,875	43,875	-	43,478	43,478
Rotherham	-	5,316	5,316	-	5,268	5,268
Rothwell	-	38,626	38,626	-	38,276	38,276
Salterforth	-	3,730	3,730	-	3,696	3,696
Scapegoat Hill	-	318,278	318,278	-	318,963	318,963
Scarborough - Albemarle	-	21,225	21,225	-	21,033	21,033
Sheffield - Cemetery Road	11,000	409,846	420,846	11,000	406,136	417,136
Sheffield - Darnall Road	-	18,319	18,319	-	18,153	18,153
South Craven	121,793	20,662	142,455	118,573	20,475	139,048
Todmorden - Roomfield	-	4,567	4,567	-	4,525	4,525
Todmorden - Vale	-	26,201	26,201	-	25,964	25,964
Total	452,951	2,918,323	3,371,275	489,830	3,195,149	3,684,979

*The investment balance of Salendine Nook for 2021 has been restated to include a previously undisclosed investment portfolio. This is included in the 2022 investments figure for Salendine Nook.