



FINANCIAL STATEMENTS 2015

BAPTIST UNION OF GREAT BRITAIN

YEAR ENDED 31 DECEMBER 2015



Report and Consolidated Financial Statements

Baptist Union of Great Britain

For the year ended 31 December 2015

Baptist House PO Box 44 129 Broadway Didcot Oxfordshire OX11 8RT England
telephone **01235 517700** facsimile **01235 517715** Registered Charity No **1125912**

BAPTIST UNION OF GREAT BRITAIN

INTRODUCTION

The Trustees of the Baptist Union of Great Britain present their Annual Report together with the audited financial statements for the year ended 31 December 2015 which comply with the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2015).

The Annual Report and Consolidated Financial Statements are structured as follows:

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The Trustees wish to put on record their thanks to the Churches, Associations and Colleges that make up our Union and to the staff of The Specialist Teams based at Baptist House for all their generosity in enabling our Union to fulfil its mission.

BAPTIST UNION OF GREAT BRITAIN

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2015

SECTION 1 - WHO WE ARE

Registered Office

The Baptist Union of Great Britain
Registered Charity Number 1125912
Baptist House
129 Broadway Didcot
Oxfordshire OX11 8RT

TRUSTEES

The Revd Rich Webb (Moderator - appointed from 1 September 2015)
Mrs Jenny Royal (Moderator - up to 31 August 2015)
Mr Malcolm Broad MBE (Treasurer up to 14 May 2016)
Mr John Levick (Treasurer from 14 May 2016)
The Revd Barbara Carpenter
The Revd Graham Ensor
Mrs Marion Fiddes
The Revd Dr Stephen Finamore (up to 31 August 2015)
The Revd Lynn Green (General Secretary)
Mr Rupert Hill
Mrs Linda Hopkins
The Revd Joe Kapolyo
The Revd Dr Claire McBeath

BAPTIST STEERING GROUP

The Revd Alex Afriyie (appointed from 1 July 2015)
The Revd Geoff Andrews (up to 30 June 2015)
The Revd John Claydon (appointed from 1 January 2015)
The Revd Stuart Davison (Chair – Mission Forum)
The Revd David Ellis
The Revd Dr Rob Ellis
Mrs Marion Fiddes
The Revd Lynn Green (General Secretary)
The Revd Andy Hughes (Specialist Team Leader - Ministries - appointed from 1 February 2015)
The Revd Stephen Keyworth (Specialist Team Leader - Faith & Society)
The Revd Richard Lewis (appointed from 1 January 2015)
Mr David Locke (Finance Director & Specialist Team Leader - Support Services - up to 30 June 2015)
Mr Richard Nicholls (Interim Specialist Team Leader - Support Services)
The Revd Grenville Overton
The Revd Dianne Tidball

BANKERS

HSBC
186 Broadway
Didcot
Oxfordshire
OX11 8RP

INDEPENDENT AUDITORS

Wilkins Kennedy LLP
Bridge House
London Bridge
London
SE1 9QR

SOLICITORS

Anthony Collins Solicitors LLP
134 Edmund Street
Birmingham
B3 2ES

BAPTIST UNION OF GREAT BRITAIN

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2015

SECTION 1 – WHO WE ARE (continued)

SURVEYORS

Biscoe Craig Hall
5-6 Staple Inn Holborn
London
WC1V 7QU

INVESTMENT MANAGERS

Schroders Investment Management Limited
12 Moorgate
London
EC2R 6DA

BAPTIST UNION OF GREAT BRITAIN

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2015

SECTION 2 - HOW WE DO THINGS

1 The Union

The Baptist Union of Great Britain, which is an unincorporated association, consists of the churches, Associations of the churches, Colleges, other Baptist organisations and persons who affirm the Baptist Union Declaration of Principle and are for the time being in membership with the Union.

As a membership organisation, the Union holds an annual Assembly and has a Council made up of representatives of Associations of the churches, representatives of the Colleges, office holders and persons co-opted for particular skills. The Union acts by the Assembly through a Council and is administered and managed by a Trustee Board as Charity Trustees. This is detailed in the governing document (the Leadership and Governance Report, accepted by Council in March 2013) and the constitution agreed by the Assembly and last revised in May 2014. A copy of the Constitution is available on the website.

2 The Trustees

The Trustee Board comprises of a Moderator (Chair) appointed by Council, the General Secretary, the Treasurer and nine other persons elected by the Council from a list of suitable nominations of members of Baptist churches in membership with the Union determined by a sub-group of Council. The General Secretary is appointed by the Annual Assembly; and the Honorary Treasurer is appointed annually by the Annual Assembly.

The Trustees are usually familiar with many aspects of the Union's work prior to appointment, and receive an induction into the work of the Union by meeting Senior Staff and being advised of the general nature of their work, as well as receiving financial statements, The Leadership and Governance Report and other relevant documentation. Trustees are provided with a copy of the Charity Commissions publication CC3, The Essential Trustee, and receive formal training on their responsibilities and accountabilities.

The Trustees, in accordance with law and good practice oversee the legal, financial, charitable and strategic life of the Union. The Baptist Steering Group (BSG) acts as a key location of organisational leadership and coordination, with a major focus on managing implementation. The BSG reports to Trustees, and with Council, are instrumental in shaping the strategy of the Union, subject to any directions of the Assembly. Trustees oversee its implementation. To help the Board with governance of the charity a Finance & Audit Committee is in place, formed under Terms of Reference approved by the Trustees. The investments held by the Union are monitored by this Committee. A separate Pension Investments Committee deals exclusively with funds under management for the Baptist Pension Scheme and reports directly to the Pension Board Trustees.

Our Trustees are unpaid, except one detailed in note 12 to the financial statements. Details of Trustees expenses are also disclosed in note 12 to the financial statements.

Day-to-day management of the Union's business is delegated to staff who operate within the frameworks set by the Trustees.

3 Statement of Accounting and Reporting Responsibilities

The Trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Law applicable to charities in England & Wales requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Trustees are required to:

- select the most suitable accounting policies and then to apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

BAPTIST UNION OF GREAT BRITAIN

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2015

SECTION 2 - HOW WE DO THINGS – (continued)

3 Statement of Accounting and Reporting Responsibilities (continued)

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions, disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011 and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Relevant Audit information

In so far as each of the Trustees, at the date of approval of this report is aware, there is no relevant audit information (information needed by the charity's auditor in connection with preparing the audit report) of which the charity's auditor is unaware. Each Trustee has taken all the steps that he or she should have taken as a Trustee in order to make himself or herself aware of the relevant audit information and to establish that the charity's auditor is aware of that information.

4 Related Organisations and Companies

The General Secretary and the Specialist Teams of the Union work very closely with the regional Associations, which are independent Baptist charities supporting and encouraging our Baptist churches and other Baptist projects in particular geographical areas. It is donations and subscriptions from these churches that effectively fund the Union and other Associations. Close working relationships also exist with seven Colleges involved in the training and formation of ministers and members within the Union and these are also governed independently.

The Union is involved in a number of subsidiary companies and societies as detailed below. Details of how these have been dealt with in the consolidated financial statements are set out in note 14 to the financial statements.

1. Baptist Union Corporation Limited: This is a registered Charity and a Company limited by guarantee. The Members of the Baptist Union Corporation are the persons who also serve as Trustees of the Baptist Union of Great Britain, to hold as custodian trustee the property deeds and investments of Baptist churches in trust with the Company, together with trust funds in cash. Arrangements are in place to segregate assets held in trust from the Company's own assets.

The Company is run by a Board of Directors who met three times in 2015. The Board of Directors consists of:

- Two senior staff chosen by the Baptist Union of Great Britain, and Treasurer of the Baptist Union of Great Britain; who serve ex-officio;
- The Moderator of the Company; appointed by the members in the Annual General Meeting;
- Thirteen Association Directors; one appointed by each of the thirteen Associations designated by the Baptist Union of Great Britain;
- Up to five Directors; co-opted by the remaining Directors.

2. Baptist Times Limited: The Baptist Union of Great Britain holds 100% of the issued share capital and appoints the directors of the Baptist Times Limited. The company is now dormant.

3. Retired Baptist Ministers' Housing Society Limited: The Co-operative and Communities Benefits Societies Act 2014 ("the 2014 Act") came into force on 1st August 2014 to consolidate several earlier pieces of legislation for industrial and provident societies and to replace various acts known collectively as the Industrial and Provident Societies Acts 1965-2003. With effect from 1st August 2014 the Society is a "registered society" under the 2014 Act and remains an exempt charity. The Baptist Union of Great Britain Council appoints the Members of this Society, which provides housing for retired Baptist Ministers and their spouses. The Society's accounts are separate from other Union Funds owing to the fact that they are ring fenced for the purpose of complying with the conditions under which its money have been received. Although they are separate from the Union Finances, for the purpose of preparing Consolidated Accounts, the Society's accounts are accounted for in the nature of a Restricted Fund within the Union's Consolidated Financial Statements. It is further noted that the purpose to which the Society's funds can be applied cannot be varied until its primary purpose is no longer needed and appropriate permissions from the Charity Commission have been obtained.

The rules of the Society provide that a Committee of Management shall manage the business of the Society comprising the honorary treasurer, general secretary and those appointed by the Society by simple majority in general meeting by its members or by the committee to fill a casual vacancy.

The members of the Society are the members of the Council of the Baptist Union of Great Britain.

The objects of the Society may be amended only by resolution carried by three quarters of the votes in special general meetings and subject to review of the amended resolution by the Financial Conduct Authority.

BAPTIST UNION OF GREAT BRITAIN

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2015

SECTION 2 - HOW WE DO THINGS – (continued)

4 Related Organisations and Companies (continued)

4. Baptist Holiday Fellowship Limited: The Baptist Union of Great Britain holds 83.435% of the issued share capital and appoints the directors of this charitable company which makes grants available for holidays for Baptists.
5. Joint Arrangement: The Joint Arrangement is a partnership between the Baptist Union of Great Britain and BMS World Mission. The purpose of the Joint Arrangement is to operate Baptist House, Didcot: it is overseen by a committee of which the Baptist Union of Great Britain appoints half of the membership.
6. Baptist House Limited: The Baptist Union of Great Britain is one of the two members of this company Limited by Guarantee, which provides conference facilities and office letting facilities for local businesses and organisations.
7. The Baptist Assembly: This is a charitable company Limited by Guarantee. The Baptist Union of Great Britain is one of two members and appoints half the directors of this company which manages the holding of an Annual Assembly jointly between the Union and BMS World Mission. The Union's share of the results for the year to 31 August 2015 are included in the consolidated financial statements. Since the Baptist Assembly takes place in May each year, the figures would not have been materially different if the year-end had been coterminous with the Union.

5 Key management personnel remuneration

Who our key management personnel are:

- The trustees of the charity – as detailed on page 1
- The General Secretary and Specialist Team leaders –
Lynn Green: General Secretary
Richard Nicholls: Interim Specialist Team Leader - Support Services
Stephen Keyworth: Specialist Team Leader - Faith & Society
Andy Hughes: Specialist Team Leader - Ministries
David Locke (until June 2015): Finance Director and Specialist Team Leader - Support Services
Rob Poole: Interim Finance Director

A new remuneration committee was set up during the year to deal with setting future pay and remuneration of the Union's key personnel and charity sector benchmarks are considered when setting pay and pay awards. Ultimate responsibility and decisions for pay and remuneration is the responsibility of the Trustee Board of the Baptist Union.

The aggregate amount paid to key management personnel during the year was £149,733 (2014: £160,576).

BAPTIST UNION OF GREAT BRITAIN

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2015

SECTION 3 - WHAT WE SET OUT TO DO

1 Our Objectives

The principal object of the Union is the advancement of Christian Faith and its Practice, especially by the means of and in accordance with the principles of the Baptist Denomination.

Our Christian faith understands that we can come to know God in Jesus Christ, who is both human and divine and is the person in whom all that is lost and broken can be redeemed and who inspires his followers to work for a world that is a better place for all.

Our Baptist principles mean that within the covenant relationship of the Union we value the freedom of local church to discern for itself its practices and policies within the broad scope of Baptist belief. We stress the importance of individual response in faith, and we understand that each Christian is to play their part in advancing Christian faith and witness. Because of our emphasis on personal faith and the freedom of the local church we are committed to religious freedom for people of all Christian traditions and other faiths.

The Charity's overriding function is to provide encouragement, advice and support to member churches so that they too may maximise their ability to achieve their own charitable objective of making Jesus Christ known to particular individuals and to society in general.

2 Public Benefit

Having regard to the guidance published by the Charity Commission, on the Public Benefit requirement under the Charities Act 2011, the Charity Trustees continued to provide public benefit by seeking to advance the Christian Faith and Practice in accordance with the principles of the Baptist Denomination. The Union also acts as an umbrella resource body for its member churches, which are all separate charities.

Baptists believe that each Christian has a duty to share their faith with the wider public and recognises that mission is not just evangelism, but also includes promoting justice, social welfare, healing, education and peace in the world.

Throughout 2015 the Union continued to support its member churches, regional Associations and Colleges in a wide range of activities including:

- Promoting prayer, worship and Christian spirituality.
- Promoting the study of Christian religious teachings and practices and scriptures, particularly through our theological colleges.
- Equipping and networking churches to engage in community ministry such as Debt advice centres, Foodbanks, ministry with the homeless, elderly, refugees and other vulnerable groups.
- Website providing substantial and freely available support for churches and church leaders in a wide range of areas including public issues, community engagement and mission together with legal, finance, HR and property matters.
- Supporting the wholistic development of children and young people through church and community based activities for example through Toddler groups, Messy Church, youth clubs, drop in centres, street work, homework clubs, lessons and assemblies in schools.
- Acting as a catalyst for community cohesion especially in urban areas, new housing developments and areas of high social deprivation.
- Grant-Making - see section 4.
- Provide a forum for reflecting on Social Justice and Public Issues and facilitating Baptist voices to be represented in government, media and public life.
- Support for ecumenical and inter-faith understanding and engagement.
- Support of religious office holders in their ministry, e.g. Ministers, Regional Ministers and Chaplains.
- Pastoral support to ministers, Chaplains and Managing Trustees.
- Communication, including the provision of an online weekly news update, quarterly magazine (Baptists Together) and regular updates with regard to our shared mission.

Throughout this report further detail and information is to be found about specific initiatives in 2015 and how they relate to the overall Strategy of the Union.

SECTION 3 - WHAT WE SET OUT TO DO – (continued)

3 Strategy

Whilst the objects of the Union continue much unchanged from year to year, the work of the Union to achieve these is reviewed periodically to ensure there is effective and appropriate provision and support for Ministers of Religion, other church leaders and the Churches, Associations and Colleges. The 'Futures Review' continues to be implemented and the strategy of the Union arises out of that. The overall Strategy is encapsulated in the phrase: 'Growing healthy churches in relationship for God's mission'. In order to do this we believe that we must intentionally develop a Union that encourages, and builds upon our relationships together as more than 2,000 churches, 13 Associations and 7 Colleges and have developed a new logo of Baptists Together to reflect this. We continue to develop relationships with other Baptist organisations in the UK through Federation of Baptists in Britain and Ireland, with Europe through the European Baptist Federation, and the world through the Baptist World Alliance.

In order to achieve this vision, The Baptist Union of Great Britain is committed to *intentionally* developing a culture where we...

- **Seek to be a movement of Spirit-led communities** - as those who have encountered the living Christ, to intentionally seek his will and purpose for our local churches and every expression of our shared life. (Galatians 5:22-25)
- **Feel like one team** - celebrating diversity; valuing, respecting and trusting each other as we work together in partnerships - making sure everyone feels included and listened to. (I Corinthians 12:24b-27)
- **Embrace adventure** - being serious about discipleship, willing to take risks, pioneer and move out of the comfort zone of familiar ways of doing things. (Matthew 28:18-20)
- **Inspire others** - with a generosity of spirit, energise and motivate people to be all that God created them to be. (Ephesians 5:1 & 2)
- **Share a hunger for God's coming Kingdom.** – nurturing a "holy discontent" that arises from our desire to give practical expression to our vision of God's purpose for creation - confronting evil, injustice and hypocrisy and challenging worldly attitudes to power, wealth, status and security both within and beyond our Union. (Matthew 6:9 & 10)

We shall seek to deliver this vision through:

- Pioneering and Planting
- Equipping Local Churches for Mission
- Investing in Godly Leadership
- Enabling a voice in the Public Square

Consistent with this vision, culture and methodology, strategic goals have been identified and are summarised below:

By 2020 it is hoped that:

- Our vision for Baptists Together is clearly embraced and understood and our renewed culture has become the norm.
- We have established structures for relating that reflect our governance report and enable relationships of trust to flourish and mission to be enabled as easily as possible.
- We have a clear grasp of the health of our churches and a clear understanding of what needs to be done where to enable mission across Baptists Together.
- To have implemented the Ministries Project recommendations.
- To navigate well the issues of human sexuality and find a settled place.
- To implement the Loaves and Fishes project to identify new income streams.
- To ensure that a strategy is developed and implemented to stabilise the Pension scheme.
- To complete and implement the review of our safeguarding.
- To develop the database to incorporate the needs of Associations and our Union as a whole.
- To further develop our communications strategy.

SECTION 3 - WHAT WE SET OUT TO DO – (continued)

4 Grant-Making

In helping the Union to achieve its objectives the charity makes grants available to churches to support and develop mission and ministry where funds are not available locally. Each Baptist church is an autonomous charity, and therefore self-financing; the Home Mission Fund provides additional investment into local churches and Associations to help develop and promote mission innovation and risk taking to achieve our strategic goals. Under the Union's grant making policy these grants are assessed annually and emphasis is placed not just on each church's finances but also its plans and achievements in making Jesus known in its locality. Following the 'Futures Review' authority to make and approve grants was delegated to Associations and we are seeing more timely and effective grant funding as a consequence. In 2015 a total of £1,691,495 (unrestricted funds) was expended in grants to churches (see Notes to the Financial Statements – note 7).

5 Subsidiary Entities

The subsidiary Entities of the Union operate according to their constitutions and/or company memorandum and articles and report to the Baptist Union Council or to the Trustee Board accordingly. The Trustee Board works in partnership with the relevant officers of these entities where issues arise that impact upon the wider life of the Union.

6 Volunteers

In the wider context, the Union is substantially dependent for its work on the contribution of volunteers. At church level, the work of stipendiary and paid staff is supported at all levels by volunteers both in terms of governance and management and in the practical delivery. Such is the magnitude of the contribution made by volunteers that it is impossible to quantify. This pattern is reflected in Associations and throughout the Union where many people commit significant time to help with the outworking of the Union's objectives.

BAPTIST UNION OF GREAT BRITAIN

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2015

SECTION 4 – WHAT WE HAVE DONE SO FAR

As we seek to meet our object of the advancement of Christian Faith and its Practice, we engage with the community through over 2,000 churches and contact with over 300,000 people. In 2015, 42 ministers completed formal training in our colleges compared to 40 ministers in 2014. Many others throughout the Associations, completed lay training in religious studies and theology, youth and children's work, lay leadership training, Treasurer and Trustee training.

During 2015 we embarked on a survey of our churches (Fit4Mission) with the intention of gaining a more detailed appreciation of the vitality of our local churches. This included data which helped to identify churches that are growing, churches that are stable, and churches in decline. The detailed results, which are being analysed, will help our regional and specialist teams to focus resources strategically to enable best practice.

Progress has also been made on the other major projects; Ignite (the future provision of Ministerial formation and practice), Collaborate (An integrated, dynamic national database) and Loaves and Fishes (Developing sustainable income for BUGB). These four projects will continue to inform strategic planning for BUGB over the next few years.

BUGB Council and the Baptist Steering Group, enabled by our Faith and Society Specialist Team has continued to consider our response to the change in marriage law introduced by Parliament during 2013. The provision of a religious blessing for same sex marriage in our churches is an issue of concern for some of our churches and many opportunities for consultation have been facilitated. There is wide disagreement on the issue, but BUGB Council has worked hard to ensure that our Baptist ecclesiology and governance is not overshadowed by this single issue.

The Baptist Union of Great Britain plays its full part in the wider church, offering the distinctive insights that reflect the local nature and impact of our Baptist churches as we seek to resource to and promote engagement with local communities and activity. We continue the strengthening of Baptist witness throughout the world, and this is reflected in our expenditure on ecumenical matters. The call of the gospel is to work for freedom, peace and justice, and we believe that this is part of what it means to be a missionary people today. So working collaboratively with ecumenical partners and agencies, we enable Baptists to be active, involved in creating a movement for positive change in our world. One example of this is our contribution to the Joint Public Issues team, a Baptist, a Methodist, United Reformed Church and Church of Scotland collaboration which provides resources and speaks out on issues of justice, social affairs, peace-making, international affairs and the environment.

Most of the Union's income is raised from its member churches on a voluntary basis. However, the Union has set a goal in this respect for every church to give at least 5% of its General Income to the Home Mission Appeal. In 2015, the Union Trustees set an appeal figure of £4.13m. The actual amount raised (included within voluntary income) was £3.83m (2014: £3.95m) which was 93% of target.

The thirteen Regional Associations account for £1.81m (2014: £1.87m) of the Union expenditure. Each Regional Association has a small team of Regional Ministers and Administrative staff, who support the local churches pastorally, advise on mission and practical matters, and organise training events.

Representatives of each Association are part of the National Settlement Team which helps churches looking for Ministers to be put in touch with Ministers and final year student Ministers seeking settlement. Guidance, oversight and quality assurance are provided by the Ministry Team for all processes involved, including child protection matters. Training is provided for Mentors and Appraisal Guides, conferences are organised to support all stages of ministry and the accreditation of pastors, preachers, evangelists, youth specialists and all forms of sector ministry is supported. A range of training is provided for students, Ministers and staff and this is reflected in the training spend, the biggest element of which is Student Bursaries. The Ministry Team also operates the National Settlement Team.

Operating churches effectively and properly, and in accordance with legislation, is increasingly demanding, and providing the support they need in the most helpful way and through the best media is an ongoing challenge. We aspire to develop Christ-centred, core value focused and creative communications that will enable the mission and the purposes of the Union to be communicated effectively, internally and externally.

Retired Baptist Ministers' Housing Society Limited (RBHMS) has again had sufficient resources to house all 12 (2014: 17) qualifying applicants for assistance in 2015. As at 30th September 2015, RBHMS owned 240 properties (2014: 230) and manages a further 9 on behalf of other charities. The Society continues to have capital funding by means of loans financed from the Baptist Union Loan Fund, the London Baptist Property Board and HSBC Bank plc.

BAPTIST UNION OF GREAT BRITAIN

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2015

SECTION 4 – WHAT WE HAVE DONE SO FAR (continued)

Baptist Holiday Fellowship Limited continued to make grants to other Baptist charities in accordance with its objectives of advancing Christianity and assisting Baptist Ministers in need to have holidays free of charge or at a reduced cost. The Joint Arrangement of the Baptist Union of Great Britain and BMS World Mission continued to run the facilities at Baptist House used by the two organisations. Baptist House Limited continued to make a small contribution towards the overall cost of Baptist House by offering meeting accommodation to local groups and businesses. The Baptist Assembly Limited organised the Baptist Assembly in Peterborough in May 2015 with the theme "Daring Greatly", the 2016 Assembly will be held in Oxford with a theme of "Inspiring One Another".

Baptist Union Corporation Limited continues to provide services including loan and custodian trusteeship. In 2015, the company has made available £6,965,000 in loans to twenty churches of which £2,106,500 was lent in connection with manses and £64,000 in connection with paying off pension deficits. All qualifying applications were met as required. The total loans outstanding increased from £12,019,880 to £13,888,862.

The contribution made to our society by the Charitable Sector is crucial, and the Baptist Union of Great Britain seeks to serve society in the ways described to fully share in that responsibility.

SECTION 4 – WHAT WE HAVE DONE SO FAR (continued)

Home Mission Appeal Graph

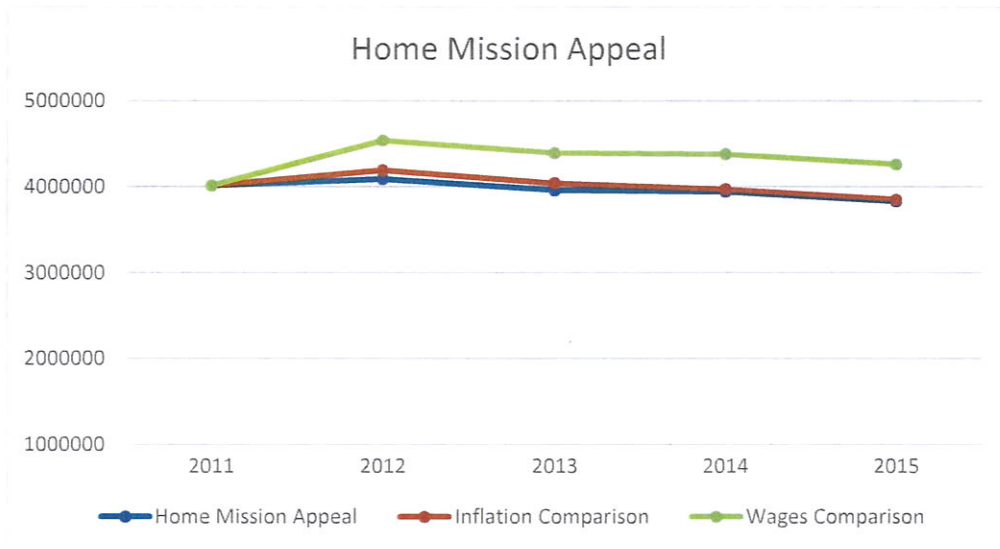


Figure 1 – Home Mission appeal compared to inflation and wages

In the graph above is shown the last five years of the home mission appeal compared to inflation (as measured by the government RPI measure) and wages (as per the ONS Average Weekly Earnings data). This shows that the Home Mission Appeal has failed to keep pace with wages however it remains broadly in line with RPI.

We give thanks to God that the giving to Home Mission appeal has stayed relatively stable during this time of uncertainty however these statistics indicate that some potential growth in Home Mission giving may be possible.

SECTION 4 – WHAT WE HAVE DONE SO FAR – (continued)

Charity stewardship and efficiency graph

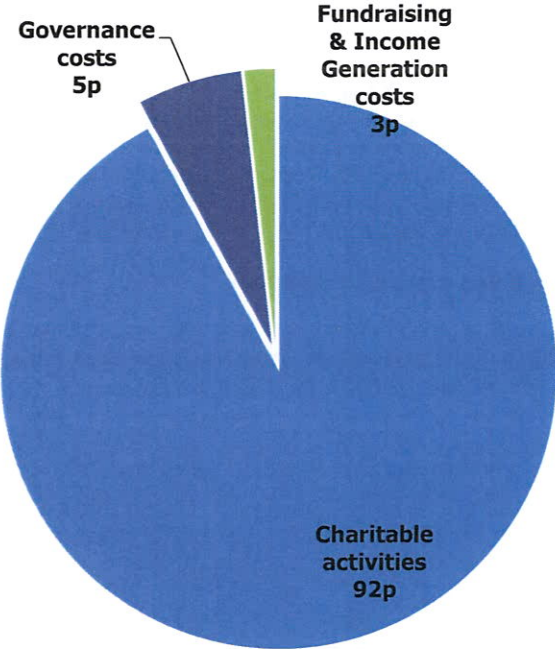


Figure 2 – Efficiency levels

As a charity the Trustees take a focused view of ensuring that maximum efficiency is achieved for the contributions given by churches and individuals around the Union. In 2015 92p in the £ was spent on charitable activities (2014 92p).

BAPTIST UNION OF GREAT BRITAIN

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2015

SECTION 5 - ABOUT OUR FINANCES

The main charity recorded net income before losses on investments of £601k (2014: £498k), in 2015 investment losses totalled £31k, compared to gains the previous year of £1,347k. As a result net income before recognised losses was £570k (2014: £1,347k). Recognised losses during the year included the provision for pension liability £1,187k and an impairment of investments £800k (relating to Baptist House) and as a consequence an adverse movement in funds of £1,417k is reported - £26,500k funds being carried forward.

The consolidated results of the Union for the year showed net incoming resources before losses on investment of £1,480k (2014: £1,820k), the decrease is substantively due to fewer sales of fixed assets. There has been a net loss on investments during 2015 of £517k, this compares to gains in 2014 of £1,067k; as a consequence net income before recognised losses has reduced from £2,889k in 2014 to £965k in 2015. Recognising actuarial losses on the pension scheme for the first time has had a detrimental impact on the accounts; a loss of £1,852k (2014: gain of £218k) has resulted in an adverse net movement in funds of £887k (2014: favourable net movement of £3,107k) - £56,792k net funds are carried forward.

Analysis of operating contribution by entity (£'000s)

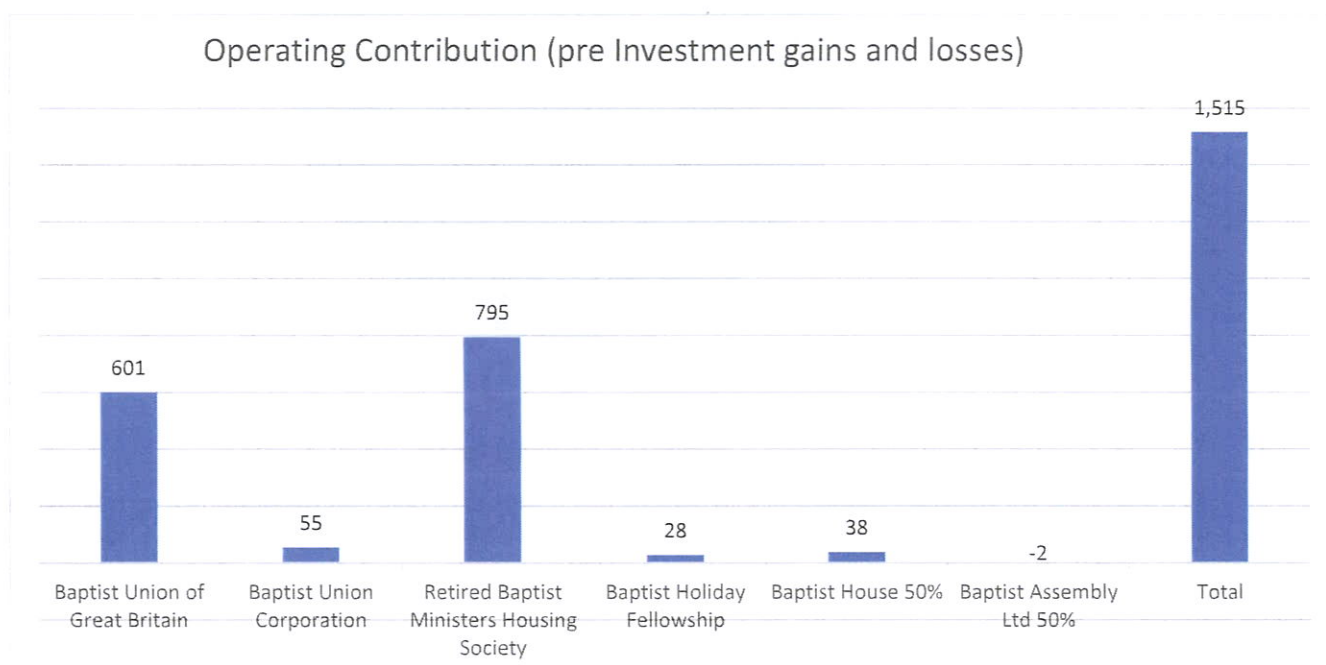


Figure 3 - Contribution by entity for 2015

The Statement of Financial Activities shows that 92% (2014: 92%) of the expenditure was directly on the furtherance of the Charity's objects, with comparatively small amounts expended on both fundraising and governance.

Home Mission giving is the primary source of income that enables BUGB (the Charity), Associations and Churches to carry out the activities, projects and developments described elsewhere in this report. The *Loaves and Fishes* initiative has identified a number of strategies to supplement Home Mission income which shall be developed during 2016 and beyond.

During 2015 £2,075k (2014: £2,138k) was expended on a variety of different causes. Most of these grants, £1,849k (2014: £1,940k) are made to churches for the support of mission focused pastoral ministry. Other grants are made to support Chaplains, Ecumenical Officers and a wide range of mission-based ministries. Mission Project Grants are also given to encourage and enable Baptist churches to respond to the mission needs of their community as part of their on-going work and ministry.

The Ministries Team accounts for £647k (2014 £602k) of the expenditure and supports all forms of recognised ministry amongst Baptist Union churches through all its stages. During 2015 a review of the future of ministry was undertaken under the name of the Ignite Report, focusing on the shape of ministry we will require, the formation of those ministers, and their ongoing development. The group also made recommendations as to how we best support this, identifying what was best done locally, regionally and nationally.

BAPTIST UNION OF GREAT BRITAIN

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2015

SECTION 5 - ABOUT OUR FINANCES – (continued)

The Faith and Society Team is tasked with the oversight of our communications portfolio as well as areas such as Ecumenical and Justice Matters; an example of our positive engagement has been work undertaken in the area of racial and gender injustice seeking to challenge Institutional Racism. In 2015 the Faith and Society Team accounted for expenditure of £441k (2014: £433k).

Regular articles in *the Baptist Times* have had a positive impact in increasing awareness of the wide range of Home Mission activity and we shall continue in 2016 to explore additional ways of raising the profile of this important source of funding.

We continue to look at methods of measuring the impact of our activities, the *Fit for Mission* review is ongoing as it seeks to identify the Health of our local Churches - in part capturing potential community performance indicators such as foodbank activity, luncheon clubs, mums and toddlers, homeless and refugee support projects etc. During 2016 we plan to make further progress in identifying performance indicators relevant to our environment and our objectives.

Investments

The governing documents give the Charity Trustees the power to invest in such securities and on such terms as the Charity may deem fit. The investment strategy is to increase the income in line with inflation and deliver a 4% yield while maintaining the long term purchasing power of the capital against inflation.

The Trustees noted that the value of investments during the year increased by £0.3 million from a value of £16.7 million to £17 million (an increase of 1.8%). They have delegated the detailed monitoring of the portfolio to the Finance & Audit Committee of the Baptist Union of Great Britain.

The investments are managed within ethical guidelines set down by the Council of the Baptist Union of Great Britain. Within the investment strategy, the investment managers have discretion over particular investments. Details of the investments are set out in note 14 to the financial statements.

The investment managers are Schroder & Co. Limited, trading as Cazenove Capital Management. RLAM are the bond managers but this bond allocation is delegated to Schroder as part of their management of a single overall portfolio. Performance can be summarised as:

<i>Performance from 1 January 2015 to 31 Dec 2015</i>	Portfolio	Benchmark	Relative
Baptist Union General Funds	1.4%	3.7%	-2.3%

The Finance & Audit Committee has set a benchmark for Schroders made up of 27.5% of the return on the FTSE All Share Index, 27.5% of the return on the MSCI World ex UK Index, 10% of the return on the FTSE Actuaries British Government All Stocks Index, 25% of the iboxx Sterling (£) Non Gilt All Maturities index and 10% of the IPD property (UK) index. The actual asset allocation position at the end of December 2015 is shown below:

SECTION 5 - ABOUT OUR FINANCES – (continued)

Actual Asset Allocation as at 31 December 2015 is shown below

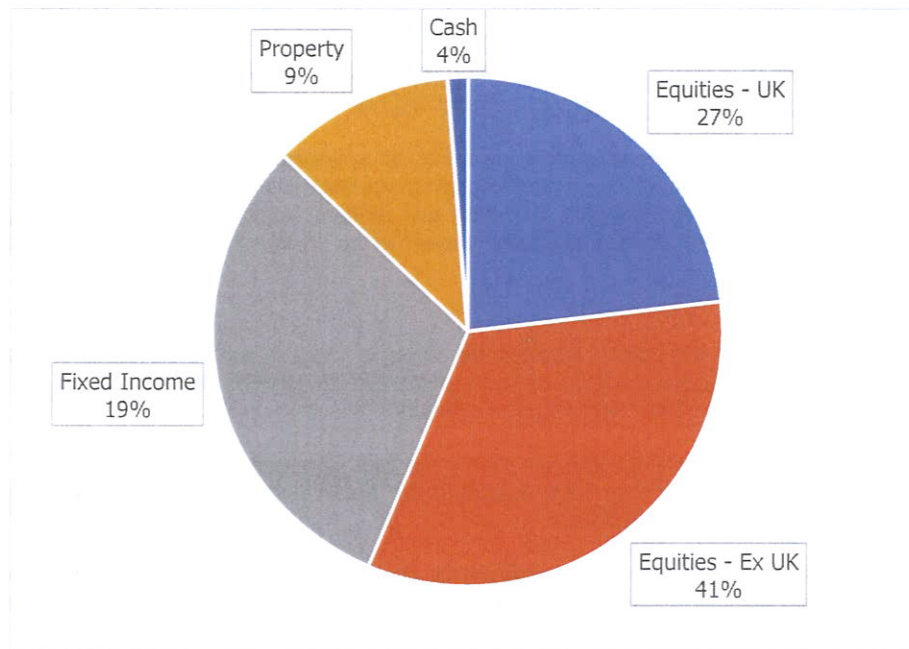


Figure 4 – Baptist Union General Fund Investment Portfolio Asset Allocation at 31 December 2015

Risk Management

All significant activities undertaken are subject to a risk review. A risk register is maintained with major risks being identified and scored as to likelihood, impact and mitigating controls; risks are subsequently ranked and periodically reviewed. Major risks include: (i) Child Protection and Vulnerable Adults- following a number of high profile cases there is an increased management focus on this area; (ii) Potential mishandling of sexuality and diversity issues and (iii) the potential inability of the Union to meet Pension liabilities. The Pension scheme deficit is estimated at £111m at 31 December 2015 (2014: £112m) of which BUGB's share is estimated to be circa £5.8m. A triennial valuation is scheduled to be completed at the end of 2016. Regular monitoring and review is in place.

During the year significant progress has been made with regard to Safeguarding (child protection and vulnerable adults) we have updated policies & procedures, increased training and provided improved publicity & training materials. We have completed our safeguarding review and an action plan is being progressed. We have worked hard during the year to create opportunities for consultation on the issues of sexuality and diversity including the topic being tabled for discussion by Council early in 2016. The risk pertaining to our pension liability continues to give concern, the matter is kept under constant review and a Pension Employers Group is being formed to provide further focus and challenge. A triennial review of the pension scheme is also scheduled for 2016.

The Trustees note the continuing downward trend in the Annual Home Mission Appeal. A fundamental review of income was undertaken in 2014, the outcome being the Loaves & Fishes Report; a number of recommendations were made and several initiatives have already been implemented including a renewed focus on promoting legacy income and further developing investment income. It is planned to take forward specific projects during 2016 to increase personal donations and to identify new areas of income and strategies to correct the downward trend in annual appeal giving, our objective is to achieve a sustainable income program. We continue on an ongoing basis to review our control procedures to make the best use of our resources and to ensure good stewardship.

BAPTIST UNION OF GREAT BRITAIN

REPORT OF THE TRUSTEES

SECTION 5 - ABOUT OUR FINANCES – (continued)

Policy on Reserves

The policy is to ensure that the Union has sufficient free and available funds to meet at least 3 months of annual budgeted expenditure. In addition the Trustees consider it is prudent to provide for a further 3 months for funding grants to churches and associations. The latter is necessary because to stop a payment to a church or association involves a period of time to adjust.

On the basis of the budgeted expenditure for 2015 the calculation of reserve funds needed is:-

	£'000
3 months expenditure	1,519
3 months grant commitment	904
3 months pension deficiency payments	160
Total Level of Reserves needed	2,583

Cognisant of the Charities SORP, BUGB holds a number of unrestricted income funds (including designated) which can be spent at the discretion of the Trustees in furtherance of the charity's objects. Trustees are expected to justify the holding of income as reserves though certain funds can be excluded.

The table below sets out in more detail the reserves available, further details of funds can be found in notes 19 to 21 of the financial statements.

BUGB – Funds of the Parent Charity	£'000s
Endowment Funds	922
Restricted Funds	312
Designated	23,404
Unrestricted	1,629
	<hr/>
Total charity funds	26,267

Of the total charity funds of £26,267,000, the unrestricted funds include both designated and unrestricted funds, these total £25,033,000. After intercompany adjustments this figure is reduced to £18,656,000 which represents the net unrestricted funds at the disposal of BUGB trustees.

There are three sub divisions of these reserves;

- Program related - where reserves are used to provide for future anticipated expenditure.
- Fixed assets - where properties have been acquired to facilitate ongoing BUGB activities.
- Free funds available.

The table below identifies the total of free reserves to be £5,710,000. From this total we need to retain £2,583,000 being the prudent level of reserves required; after this provision there remains £3,127,000 of free funds available.

Reconciliation of Unrestricted Funds	£'000s
Designated Funds	23,404
Unrestricted (General Funds)	1,629
	<hr/>
	25,033
Less Loan Fund Capital	(6,377)
	<hr/>
	18,656

BAPTIST UNION OF GREAT BRITAIN

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2015

SECTION 5 - ABOUT OUR FINANCES – (continued)

	Free Funds	Fixed Assets	Programme Related Investments	Total Funds
	£'000	£'000	£'000	£'000
General Funds	1,629	-	-	1,629
Fixed Asset Reserve	-	3,182	-	3,182
Baptist House JA Investment	-	-	2,100	2,100
Newington Court	3,872	-	-	3,872
Student Training capital	-	-	4,766	4,766
Baptist Strategy Building Scheme	-	-	336	336
Pension Reserve	-	-	1,796	1,796
One-off Projects Reserve *	209	-	-	209
Pastoral Fund	-	-	456	456
Mission Support Fund *	-	-	210	210
Ministry Review Fund	-	-	100	100
Sub Total	5,710	3,182	9,764	18,656
Required under Reserves Policy	<u>(2,583)</u>			
Free Funds Available	<u>3,127</u>			

* These designated funds are planned to be fully disbursed by 2018.

The BUGB share of the Baptist Pension Scheme deficit is currently being serviced with deficit contributions from BUGB in line with the recovery plan approved by the Pensions Regulator. When this deficit figure of £5,796k is subtracted as shown above the net free reserves equates to a shortfall of £2,509k in the Union's reserves, equivalent to 41% of the annual budgeted expenditure. The reserves policy was revised during the year, effectively reducing required reserves from 9 months of budgeted expenditure to 3 months, including pension deficit payments. Trustees are satisfied that the reserves policy accords to the requirements of the Charities SORP and demonstrates the charity's sustainability and capacity to manage unforeseen financial difficulties. During 2016 the Trustees will keep the policy under review.

BAPTIST UNION OF GREAT BRITAIN

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2015

SECTION 6 - CHANGES OVER THE LAST YEAR AND PLANS FOR THE FUTURE

In November 2012 the Baptist Union Council, the governing body of the Baptist Union of Great Britain, agreed major reforms of the denomination's structures to strengthen the support it gives to local churches. This was known as the "Futures Review" and in line with these decisions major structural changes were made and continued to be embedded in 2015.

During 2015, new ways of working together with Associations and Colleges and the new Baptist Steering Group with its representatives from the wider family have all shaped our life together and has reinforced our new ways of being, as Baptists Together. A review of our pattern of meeting has resulted in the creation of the All Team Leaders forum which draws together regional, college and specialist team leaders rationalising our discussion and facilitating collaborative working and communication.

A significant initiative has been the implementation of the *Clarity Report* – vision, values, addressing common purposes inter-relationships and communication networks throughout our Baptist family.

During the year we have continued to improve the *Baptists Together* Website and the on-line publication *Baptists Together*. The potential of the new Database has been explored through the *Collaborate Project* – a regionally diverse and multi-disciplined leadership group has laid plans for the integrated and multi-user utilisation of the database by all of the Baptist family. Other development changes during the year have been the completion of our strategic safeguarding review and a 3 year action plan is well underway with our goal to consistently deliver excellence in Safeguarding; we continue to make progress with our review of historic safeguarding cases. We have also continued to work towards longer-term income sustainability.

Plans for future periods

The context for our future plans are outlined in sections 3 and 4, and we continue to focus on our strategic goals, learning and improving from our experience. We need to continue to re-enforce our vision and culture, integrating this with an effective communications strategy and the ongoing processes of building up of relationships. We will continue to improve our systems to ensure that we allocate resources to the best effect.

Moving into 2016, we will continue to embed our vision and culture and work hard to bring this to life. The Review of Ministry (the Ignite Project) has been completed and now further consultation focused on the priority areas of the report is happening to enable implementation. Priority areas include Marks of Ministry, developing understanding of Ministerial Covenant, ongoing ministerial development, review of processes and internal procedures.

Our commitment to our *Baptists Together* Mission Forum - to pioneering and planting new congregations is being expressed in the appointment of 2 new pioneer coordinators.

Our Home Mission funding will continue to support our churches' mission in areas that would otherwise be without a Baptist presence and we will continue to explore new ways of achieving a sustainable income stream. The Loaves and Fishes report is focused on developing a program of sustainable income for our Union, the report has identified a range of potential options, several of which have been prioritised for action. It is recognised that developing sustainable income is a process and it is planned to actively progress this throughout 2016 and beyond. Also during 2016 the Union and Associations will be considering the future funding policy for core funding and grant making.

As well as new innovative approaches to mission and our commitment to justice the Union is also keen to continue to have at its heart a commitment to prayer and the Beacons of Prayer initiative launched by our General Secretary provides a focus for this. We also continue to be committed to keeping the local church at the centre of our decision-making, to continue to "break new ground" and to bring the gospel to a new generation.



The Revd Rich Webb
Moderator of the Trustee Board

29 JUNE 2016

BAPTIST UNION OF GREAT BRITAIN

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE BAPTIST UNION OF GREAT BRITAIN

We have audited the financial statements of the Baptist Union of Great Britain for the year ended 31 December 2015 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Parent Charity Balance Sheets, the Consolidated Cash Flow Statement and the related notes numbered 1 to 28.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's Trustees as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under that Act. Our audit work has been undertaken so that we might state to the charity's Trustees those matters we are required to state to them in an auditors' 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 and the charity's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustees and auditors

As explained more fully in the Statement of Accounting and Reporting Responsibilities, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Annual Report of the Trustees to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charity's affairs as at 31 December 2015 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Opinion on other matter

In our opinion the information given in the Annual Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements.

BAPTIST UNION OF GREAT BRITAIN

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE BAPTIST UNION OF GREAT BRITAIN

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the charity has not kept adequate accounting records; or
- the consolidated financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.



Wilkins Kennedy LLP
Chartered Accountants and Statutory Auditors
Bridge House
London Bridge
London SE1 9QR

29.6.16

BAPTIST UNION OF GREAT BRITAIN

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES YEAR ENDED 31 DECEMBER 2015

Incorporating income and expenditure account

	Notes	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Endowment Funds £	Total 2015 £	Total 2014 £
INCOME							
Donations and legacies	2	4,826,893	-	452,600	-	5,279,493	5,743,382
Charitable activities	3	1,193,162	410,061	503,881	-	2,107,104	1,955,848
Investment income	4	549,322	318,018	28,538	28,732	924,610	802,292
Other income	5	156,113	-	188,567	-	344,680	743,946
Less share of gross incoming resources from Joint Venture		(28,944)	-	-	-	(28,944)	(22,848)
		6,696,546	728,079	1,173,586	28,732	8,626,943	9,222,620
EXPENDITURE							
Raising funds	6	63,316	52,400	4,421	4,980	125,117	54,680
Charitable Activities	7	6,212,293	352,832	433,201	350	6,998,676	7,347,695
Other expenditure	8	-	-	23,560	-	23,560	-
	9	6,275,609	405,232	461,182	5,330	7,147,353	7,402,375
NET INCOME BEFORE (LOSSES)/GAINS ON INVESTMENT		420,937	322,847	712,404	23,402	1,479,590	1,820,245
Net interest in the results of the year for the joint venture		2,506	-	-	-	2,506	1,891
Net (losses)/gains on investments	14	(334,831)	(153,574)	(14,645)	(14,400)	(517,450)	1,066,574
NET INCOME BEFORE TRANSFERS		88,612	169,273	697,759	9,002	964,646	2,888,710
Transfers between funds		498,382	(14,406)	(455,594)	(28,382)	-	-
Net income before other recognised losses		586,994	154,867	242,165	(19,380)	964,646	2,888,710
Actuarial (losses)/gains on defined benefit pension schemes		(1,851,896)	-	-	-	(1,851,896)	218,464
Net movement in funds		(1,264,902)	154,867	242,165	(19,380)	(887,250)	3,107,174
RECONCILIATION OF FUNDS							
Total funds brought forward		12,552,107	16,871,264	27,314,733	941,004	57,679,108	54,571,934
TOTAL FUNDS CARRIED FORWARD		£11,287,205	£17,026,131	£27,556,898	£921,624	£56,791,858	£57,679,108

There were no recognised gains or losses other than those shown in the Statement of Financial Activities. There were no acquisitions or discontinued operations during either of the above two financial years.

The notes on pages 25 to 44 form an integral part of these financial statements.

BAPTIST UNION OF GREAT BRITAIN

CONSOLIDATED BALANCE SHEET AT 31 DECEMBER 2015

	Notes	2015		2014	
		£	£	£	£
FIXED ASSETS					
Tangible assets	13	36,036,981		34,796,637	
Investments	14	17,040,160		16,744,523	
			53,077,141		51,541,160
CURRENT ASSETS					
Stocks		9,533		13,772	
Debtors	15	15,421,951		13,365,988	
Cash and Bank	16	24,016,017		24,208,827	
		39,447,501		37,588,587	
CURRENT LIABILITIES					
Creditors:					
Amounts falling due within one year	17	29,937,141		27,506,892	
NET CURRENT ASSETS			9,510,360		10,081,695
TOTAL ASSETS LESS CURRENT LIABILITES			62,587,501		61,622,855
PROVISION FOR LIABILITIES					
Defined Benefit pension scheme liability	18		(5,795,643)		(3,943,747)
NET ASSETS			£56,791,858		£57,679,108
THE FUNDS OF THE CHARITY					
Endowment funds	19		921,624		941,004
Restricted income funds	20		27,556,898		27,314,733
Designated funds	21		17,026,131		16,871,264
Unrestricted income funds			11,287,205		12,552,107
TOTAL CHARITY FUNDS			£56,791,858		£57,679,108

The financial statements were approved by the Trustees on 29.6.16 and signed on their behalf by

The Revd Rich Webb - Moderator

John Levick – Treasurer



The notes on pages 25 to 44 form an integral part of these financial statements

BAPTIST UNION OF GREAT BRITAIN
BALANCE SHEET AT 31 DECEMBER 2015

	Notes	2015		2014	
		£	£	£	£
FIXED ASSETS					
Tangible assets	13	3,519,942		3,212,577	
Investments	14	21,681,450		21,587,042	
			25,201,392		24,799,619
CURRENT ASSETS					
Stocks		9,533		13,772	
Debtors	15	1,133,725		1,165,887	
Cash and Bank	16	5,368,022		6,004,966	
		6,511,280		7,184,625	
CURRENT LIABILITIES					
Creditors:					
Amounts falling due within one year	17	229,730		271,184	
NET CURRENT ASSETS					
			6,281,550		6,913,441
TOTAL ASSETS LESS CURRENT LIABILITIES					
			31,482,942		31,713,060
PROVISION FOR LIABILITIES					
Defined Benefit pension scheme liability	18		(5,215,815)		(3,720,516)
NET ASSETS					
			£26,267,127		£27,992,544
THE FUNDS OF THE CHARITY					
Endowment funds	19		921,624		941,004
Restricted income funds	20		312,702		839,695
Designated funds	21		23,404,103		23,025,413
Unrestricted income funds			1,628,698		3,186,432
TOTAL CHARITY FUNDS					
			£26,267,127		£27,992,544

The financial statements were approved by the Trustees on 29.6.16 and signed on their behalf by

The Revd Rich Webb - Moderator




John Levick - Treasurer

The notes on pages 25 to 44 form an integral part of these financial statements.

BAPTIST UNION OF GREAT BRITAIN

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2015

		2015	2014
		£	£
	Notes	£	£
NET CASH PROVIDED BY OPERATING ACTIVITIES	25	644,941	13,323,135
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividend and interest from investments		924,610	802,292
Proceeds from sale of property		1,643,259	1,497,196
Purchase of tangible fixed assets		(2,595,039)	(2,958,687)
Proceeds from sale of investments		1,403,569	17,877,980
Purchase of investments		<u>(2,214,150)</u>	<u>(12,831,420)</u>
Net cash provided by investing activities		<u>(837,751)</u>	<u>4,387,361</u>
CHANGES IN CASH AND CASH EQUIVALENTS IN THE YEAR		(192,810)	17,710,496
Cash and cash equivalents brought forward		<u>24,208,827</u>	<u>6,498,331</u>
CASH AND CASH EQUIVALENTS CARRIED FORWARD	26	<u>£24,016,017</u>	<u>£24,208,827</u>

The notes on pages 25 to 44 form an integral part of these financial statements.

1. ACCOUNTING POLICIES

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

(a) Basis of Accounting

The financial statements have been prepared in accordance with the Charities Statement of Recommended Practice (Charities SORP (FRS 102)), Financial Reporting Standard 102 and the Charities Act 2011.

Baptist Union of Great Britain is a registered charity, no. 1125912, and meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

(b) Basis of Consolidation

Where control is exercised by the parent charity over another entity, those entities are consolidated as subsidiaries on a line by line basis in accordance with FRS 102 – section 9 and the Charities SORP (FRS102).

Details of these entities are given in note 14 to the financial statements.

The charity's interest in a joint venture and joint arrangement are accounted for in accordance with FRS 102.

Details of these interests are given in note 14 to the financial statements.

(c) Reconciliation with previous Generally Accepted Accounting Practice

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP (FRS 102) the restatement of comparative items was required. Details of the transition to FRS 102 are disclosed in Note 28.

(d) Preparation of the financial statements on a going concern basis

The charity has a reasonable expectation that there are adequate resources to continue in operational existence for the foreseeable future. It has therefore continued to adopt the going concern basis in preparing its financial statements.

(e) Funds Accounting

Unrestricted Funds

General unrestricted funds represent funds which are expendable at the discretion of the Union in the furtherance of the objects of the charity and which have not been designated for other purposes. These funds are known as the Home Mission Fund. Such funds may be held to finance both working and capital investment.

Designated Funds

These represent amounts set aside by the Union for specific purposes as set out in note 21. They may be returned to General Funds at the discretion of the Union.

Restricted Funds

These represent amounts which have been restricted by the donors for use for specific purposes as set out in note 20.

Endowment Funds

These represent amounts which are restricted for specific purposes but where the capital is not expendable as set out in note 19.

1 ACCOUNTING POLICIES (continued)

(f) Income

Income is recognised in the Statement of Financial Activities when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that income will be received and the amount can be measured reliably.

- Donations are accounted for gross when received.
- Legacies are accounted for at the earlier of the Estate accounts being finalised and notified, and cash received.
- Subscription income is accounted for gross when received.
- Rental income is accounted for on an accruals basis.
- Funds received under Ultimate Trusts are accounted for when received.
- Interest receivable from loans is accounted for on an accruals basis.
- Expenses receivable on trusts are included during the period in which they are received.
- The gift aid scheme is administered as agent on behalf of churches and other Baptist organisations, and the charitable company's fee is recognised on an accruals basis.
- Accommodation fees are recognised on an accruals basis, taking into account the 6 month grace period on drawdown.
- Trading income is accounted for in the period in which the associated event takes place.

(g) Expenditure

Expenditure is recognised in the Statement of Financial Activities once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

- Costs of raising funds represents publicity material and promotion of the Union and the Home Mission Fund, and investment management fees.
- Charitable activities represents expenditure in the furtherance of the object of the Union.
- Grants payable are agreed on an annual basis and accounted for in the year in which they are committed.
- Support costs represent central finance and computer facilities, fixed asset depreciation, storage, insurance and stationery, together with an appropriate allowance for salaries and other office costs.

Support and Governance costs are allocated to charitable activities in proportion to the direct charitable expenditure on that activity, where the charity considers that support costs are incurred as part of the delivery of that activity.

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

(h) Tangible fixed assets

No depreciation is charged on freehold properties, in accordance with section 17 of FRS 102, as in the opinion of the trustees any charge would be immaterial.

Where there is an indication of impairment, annual reviews are undertaken by the Trustees at each balance sheet date. These reviews involve assessing current property market conditions and their impact on the estimated market values of the Union's properties. Any material deficit between the anticipated recoverable amount of freehold property and its cost is recognised in the statement of financial activities.

Depreciation on other fixed assets is calculated to write off the cost on a straight line basis over their expected useful life, at the following rates:

Furniture and fittings	10% and 20%
Computers and Equipment	25% and 33%
Software Project	20%

BAPTIST UNION OF GREAT BRITAIN

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

1 ACCOUNTING POLICIES (continued)

(i) Fixed asset investments

Quoted investments are held for their income generation and investment potential and are valued at market value at the reporting date. Any surplus or deficit arising is included in the Statement of Financial Activities.

Investments in subsidiaries are measured at cost less impairment.

The investment in Baptist House Limited is treated as a joint venture within the consolidated financial statements and is accounted for using the gross equity method.

(j) Stocks

Stocks of publications are included at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

(k) Debtors

Accrued income is recognised in the period to which it relates.

Loans are considered concessionary loans made as they are made by the charity to further its purposes. Loans are initially measured at the amount paid, with the carrying amount adjusted subsequently to reflect repayments and any interest receivable. Where any loan made is considered to be irrecoverable an impairment loss is recognised.

Prepayments and other debtors are recognised at the settlement amount due.

Debtors are measured at their recoverable amount.

(l) Cash at bank and in hand

Cash at bank and in hand includes notice deposits and short-term deposits.

(m) Creditors

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably.

Accruals and other creditors are recognised at their settlement amount due.

Trust accounts and loan fund deposits are recognised where held at the amount received and the carrying amount is adjusted to reflect any interest payable.

Loans are considered concessionary loans received as they are made to the charity to further its purposes and any interest charged is below the prevailing market rates.

(n) Provisions for liabilities

A liability for the agreed pension scheme deficit plan has been included, in accordance with the Baptist Union Staff Pension Scheme Schedule of Contributions dated 30 March 2012 and 31 March 2015.

(o) Financial instruments

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

BAPTIST UNION OF GREAT BRITAIN

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

1 ACCOUNTING POLICIES (continued)

(p) Assets held as custodian trustee

These financial statements do not include any assets held by the Charity as Custodian Trustee with the exception of assets held on Miscellaneous Trust Accounts and Covenant Trust Accounts shown in note 17.

	2015	2014
	£	£
Miscellaneous Trust Account Assets	14,100,147	12,849,880
Covenant Trust Account Assets	10,881	4,850
Miscellaneous Trust Account Creditors	(14,100,147)	(12,849,880)
Covenant Trust Account Creditors	(10,881)	(4,850)
	£-	£-

(q) Pension costs

The Union is a member of a multi-employer defined contribution pension plan, under which fixed contributions are paid into a separate independently administered entity. Once the contributions have been paid the charity has no further payment obligations. The contributions are recognised as an expense when they are due. Any amounts not paid are shown as accruals in the Balance Sheet.

Prior to 2012 pension provision was made through multi-employer defined benefit pension plans. Where it is not possible for the charity to obtain sufficient information to enable it to account for the plan as a defined benefit plan, it accounts for the plan as a defined contribution plan. Where the plan is in deficit and the charity has agreed to participate in a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the contributions payable under the agreement that relate to the deficit. This amount is expensed in the Statement of Financial Activities.

(r) Taxation

Included within the consolidation are charitable companies that are considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore meet the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part II Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

2 DONATIONS AND LEGACIES

	Unrestricted	Designated	Restricted	Endowment	Total	Total
	Funds	Funds	Funds	Funds	2015	2014
	£	£	£	£	£	£
Donations	3,831,684	-	45,697	-	3,877,381	3,987,074
Legacies	559,128	-	406,903	-	966,031	1,353,180
Subscriptions	426,081	-	-	-	426,081	392,128
Gifts from other	10,000	-	-	-	10,000	11,000
Baptist Constituents	10,000	-	-	-	10,000	11,000
	£4,826,893	£ -	£452,600	£ -	£5,279,493	£5,743,382

In 2014, £667,466 of the donations and legacies income was attributable to restricted funds, with the remaining £5,075,916 being attributable to unrestricted funds.

BAPTIST UNION OF GREAT BRITAIN

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

3 CHARITABLE ACTIVITIES

	Unrestricted Funds	Designated Funds	Restricted Funds	Endowment Funds	Total 2015	Total 2014
	£	£	£	£	£	£
Accountancy services	40,751	-	-	-	40,751	-
Publication sales	16,752	-	-	-	16,752	21,022
Rent	410,163	-	503,881	-	914,044	866,482
Funds received under Ultimate Trusts	-	410,061	-	-	410,061	200,696
Interest receivable from loans	463,730	-	-	-	463,730	480,148
Expenses receivable on trusts	74,792	-	-	-	74,792	87,273
Fee for operating gift aid scheme	3,654	-	-	-	3,654	9,036
Accommodation fees	12,196	-	-	-	12,196	4,143
Trading Income	13,413	-	-	-	13,413	43,224
Bad debts recovered – Baptist Strategy Building Scheme	157,711	-	-	-	157,711	243,824
	£1,193,162	£410,061	£503,881	£ -	£2,107,104	£1,955,848

In 2014, £476,207 of the charitable activities income was attributable to restricted funds, £200,696 was attributable to designated funds, and the remaining £1,278,945 was attributable to unrestricted funds.

4 INVESTMENT INCOME

	Total 2015	Total 2014
	£	£
<u>Quoted Investments:</u>		
UK listed Bonds	149,341	193,390
UK listed Equities	175,629	124,801
Overseas Listed Equities	158,264	114,264
UK Property Unit Trusts	84,049	59,177
<u>Other:</u>		
Interest on Cash Deposits	357,327	310,660
	£924,610	£802,292

In 2015 £549,322 (2014: £496,540) of the investment income was attributable to unrestricted income funds, £318,018 (2014: £253,759) was attributable to designated income funds, £28,538 (2014: £25,702) was attributable to restricted income funds, and the remaining £28,732 (2014: £26,291) was attributable to endowment funds.

BAPTIST UNION OF GREAT BRITAIN

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

5 OTHER INCOME

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Endowment Funds £	Total 2015 £	Total 2014 £
Profit on sale of fixed assets	156,113	-	188,567	-	344,680	743,946
	£156,113	£ -	£188,567	£ -	£344,680	£743,946

In 2014, £482,651 of other income was attributable to restricted funds, and the remaining £261,295 was attributable to unrestricted funds.

6 RAISING FUNDS

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Endowment Funds £	Total 2015 £	Total 2014 £
Investment management expenses	37,864	52,400	4,421	4,980	99,665	44,110
Publication expenses	25,452	-	-	-	25,452	10,570
	£63,316	£52,400	£4,421	£4,980	£125,117	£54,680

In 2014, £2,870 of costs in relation to raising funds was attributable to endowment funds, £2,651 was attributable to restricted funds, £20,667 was attributable to designated funds, and the remaining £28,492 was attributable to unrestricted funds.

7 CHARITABLE ACTIVITIES

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Endowment Funds £	Total 2015 £	Total 2014 £
Mission Grants	1,691,495	157,000	-	350	1,848,845	1,940,344
Ecumenical	164,670	-	61,741	-	226,411	197,345
Associations	1,808,704	-	-	-	1,808,704	1,870,681
Ministry	647,364	-	-	-	647,364	602,103
Faith and Society	440,935	-	-	-	440,935	433,325
Advice and Information	710,931	40,936	-	-	751,867	854,907
Training	89,454	154,896	-	-	244,350	330,599
Redundancy Costs	-	-	-	-	-	45,217
Benevolent Funds	-	-	19,163	-	19,163	6,801
Retirement Housing	-	-	352,297	-	352,297	423,310
Holiday	22,868	-	-	-	22,868	21,009
Baptist Union Corporation expenses	635,872	-	-	-	635,872	622,054
	£6,212,293	£352,832	£433,201	£350	£6,998,676	£7,347,695

In 2014, £350 of costs in relation to charitable activities was attributable to endowment funds, £430,111 was attributable to restricted funds, £381,976 was attributable to designated funds, and the remaining £6,535,258 was attributable to unrestricted funds.

8 OTHER EXPENDITURE

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Endowment Funds £	Total 2015 £	Total 2014 £
Loss on sale of fixed assets	-	-	23,560	-	23,560	-
	£ -	£ -	£23,560	£ -	£23,560	£-

BAPTIST UNION OF GREAT BRITAIN

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

9 EXPENDITURE

	Direct Charitable	Mission Grants (note 23)	Support Costs (note 10)	Total 2015	Total 2014
	£	£	£	£	£
Mission Grants	-	1,848,845	-	1,848,845	1,940,344
Ecumenical Associations	-	176,456	49,955	226,411	197,345
Ministry	1,808,704	-	-	1,808,704	1,870,681
Faith and Society	423,838	-	223,526	647,364	602,103
Advice and Information	307,170	-	133,765	440,935	433,325
Training	532,348	-	219,519	751,867	854,907
Redundancy Costs	244,350	-	-	244,350	330,599
Benevolent Funds	-	-	-	-	45,217
Retirement Housing	-	19,163	-	19,163	6,801
Holiday	339,564	-	12,733	352,297	423,310
Baptist Union Corporation expenses	22,868	-	-	22,868	21,009
	169,397	-	466,475	635,872	622,054
	3,848,239	2,044,464	1,105,973	6,998,676	7,347,695
Cost of generating funds	125,117	-	-	125,117	54,680
Loss on sale of fixed assets	23,560	-	-	23,560	-
Total	£3,996,916	£2,044,464	£1,105,973	£7,147,353	£7,402,375

10 SUPPORT COSTS

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Endowment Funds £	Total 2015 £	Total 2014 £
Pension deficit (note 24)	159,203	-	-	-	165,722	170,458
Depreciation	32,745	-	-	-	32,745	37,296
Office costs – Printing	106,699	-	-	-	106,699	110,178
Other support costs	61,245	-	-	-	54,726	139,652
Management charges	275,096	-	-	-	275,096	274,309
Office facilities	47,070	-	-	-	47,070	47,000
Computer expenses	27,295	-	-	-	27,295	26,500
	709,353	-	-	-	709,353	805,393
Governance costs						
Annual Assembly	2,148	-	-	-	2,148	3,801
Council	21,834	-	-	-	21,834	19,416
Committees	22,259	-	2,953	-	25,212	8,910
Auditors' remuneration	72,203	-	9,780	-	81,983	62,720
Legal and professional fees	116,915	-	-	-	116,915	155,246
Trustee Insurance	19,019	-	-	-	19,019	20,174
Salaries	57,226	-	-	-	57,226	50,134
Futures process	20,893	-	-	-	20,893	20,284
Safeguarding	51,390	-	-	-	51,390	47,711
Total Governance	383,887	-	12,733	-	396,620	388,396
Total Support costs	£1,093,240	£ -	£12,733	£ -	£1,105,973	£1,193,789

In 2014, £9,157 of support costs were attributable to restricted funds, and the remaining £1,184,632 was attributable to unrestricted funds.

BAPTIST UNION OF GREAT BRITAIN

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

11 NET INCOME FOR THE YEAR

	Consolidated		Charity	
	2015	2014	2015	2014
	£	£	£	£
This is stated after charging/(crediting):				
Depreciation	32,745	37,296	23,841	23,542
Auditors' remuneration:				
Audit work	64,470	64,800	31,680	30,780
Non-audit work	25,231	9,958	17,568	8,723
Profit on sale of fixed assets	(344,680)	(743,946)	(156,113)	(261,295)
Loss on sale of fixed assets	23,560	-	-	-

12 EMPLOYEES AND TRUSTEES

	Consolidated		Charity	
	2015	2014	2015	2014
	£	£	£	£
Staff costs				
Salaries	1,026,434	1,013,846	982,385	965,850
Social security costs	92,881	93,765	89,550	90,313
Pension costs (note 24)	272,259	289,057	263,044	281,542
Other costs	80,233	79,126	78,341	74,563
	1,471,807	1,475,794	1,413,320	1,412,268
Less: Attributable to other Baptist entities	193,210	198,200	347,124	351,707
	1,278,597	1,277,594	1,066,196	1,060,561

The average number of employees during the year was

42	39	33	34
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No employee received emoluments in excess of £60,000 during the year (2014: £nil).

Trustee emoluments, including pension contributions of £7601, were paid for one trustee (2014: one), Rev. Lynn Green, amounting to £40,606 (2014: £39,619). Her appointment as trustee is in accordance with the Union's constitution.

No emoluments were paid to any of the other trustees for their work as Trustees.

One trustee, who is also an employee, lived in housing leased by the Union, on the same terms and conditions as other staff for whom housing may be made available.

A total of £8,305 was paid to 32 Trustees in reimbursement of travelling and subsistence expenses as Trustees (2014: £10,739 to 32 Trustees).

Total aggregate remuneration paid to key management personnel during the year was £146,877 (2014: £160,576).

BAPTIST UNION OF GREAT BRITAIN

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

13 TANGIBLE FIXED ASSETS

Consolidated	Freehold Properties £	Computer Equipment £	Furniture and Fittings £	Total £
Cost				
1 January 2015	34,643,469	463,279	265,977	35,372,725
Additions	2,587,419	7,620	-	2,595,039
Disposals	(1,321,950)	-	-	(1,321,950)
31 December 2015	35,908,938	470,899	265,977	36,645,814
Depreciation				
1 January 2015	-	310,111	265,977	576,088
Charge for the year	-	32,745	-	32,745
31 December 2015	-	342,856	265,977	608,833
Net Book Value				
31 December 2015	£35,908,938	£128,043	£ -	£36,036,981
31 December 2014	£34,643,469	£153,168	£ -	£34,796,637
Charity	Freehold Properties £	Computer Equipment £	Furniture and Fittings £	Total £
Cost				
1 January 2015	3,127,651	194,154	265,977	3,587,782
Additions	414,718	4,936	-	419,654
Disposals	(88,448)	-	-	(88,448)
31 December 2015	3,453,921	199,090	265,977	3,918,988
Depreciation				
1 January 2015	-	109,228	265,977	375,205
Charge for the year	-	23,841	-	23,841
31 December 2015	-	133,069	265,977	399,046
Net Book Value				
31 December 2015	£3,453,921	£66,021	£ -	£3,519,942
31 December 2014	£3,127,651	£84,926	£ -	£3,212,577

Most of the fixed assets are used for direct charitable purposes. Some of the computers, office equipment and furniture and fittings are used both for direct charitable expenditure and for management and administration.

No depreciation is provided on freehold properties owned by the Union for the furtherance of its objects.

BAPTIST UNION OF GREAT BRITAIN

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

14 FIXED ASSET INVESTMENTS

Consolidated	Quoted at market value	Total 2015	Total 2014
	£	£	£
Balance at 1 January	16,756,244	16,756,244	17,373,970
Eliminated on consolidation	-	-	(5,950,340)
Additions	2,214,150	2,214,150	12,831,420
Disposals	(1,403,569)	(1,403,569)	(8,565,380)
Realised and unrealised (losses)/gains	(517,450)	(517,450)	1,066,574
Balance at 31 December	£17,049,375	£17,049,375	£16,756,244
Investment in Joint Venture:			
Share of net liabilities in Joint Venture		(9,215)	(11,721)
		£17,040,160	£16,744,523
		2015	2014
		£	£
Historical cost of listed investments		£18,967,932	£22,277,899

The investment in Joint Venture consists of a 50% holding in Baptist House Limited.

Charity	Unquoted at cost	Quoted at market value	Investment in Baptist Union Corporation Limited	Total 2015	Total 2014
	£	£	£	£	£
Balance at 1 January	2,916,687	12,516,206	6,154,149	21,587,042	20,274,517
Additions	-	1,720,820	-	1,720,820	9,041,780
Disposals	-	(795,521)	-	(795,521)	(8,578,992)
Realised and unrealised (losses)/gains	-	(254,714)	223,823	(30,891)	849,737
Impairment	(800,000)	-	-	(800,000)	-
Balance at 31 December	£2,116,687	£13,186,791	£6,377,972	£21,681,450	£21,587,042
				2015	2014
				£	£
Historical cost of investments				£15,770,820	£19,015,881
The following investments exceeded 5% of the total portfolio:				2015	2014
				£	£
Royal London Ethical Charities Property Fund				2,893,056	2,865,293
				1,111,131	970,610
Unquoted investments at cost				2015	2014
				£	£
Baptist Holiday Fellowship Limited				16,687	16,687
Joint Arrangement – between the Baptist Missionary Society and the Baptist Union of Great Britain				2,100,000	2,900,000
				£2,116,687	£2,916,687

BAPTIST UNION OF GREAT BRITAIN

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

14 FIXED ASSET INVESTMENTS (continued)

The unquoted investments represent 83.435% of the issued share capital of the Baptist Holiday Fellowship Limited which provides holidays, and 50% of the Joint Arrangement between the Baptist Missionary Society and the Baptist Union of Great Britain which owns and runs the premises at Baptist House.

The following entities have been consolidated because of the control exercised by the parent charity:

Baptist Union Corporation Limited is a company limited by guarantee, registered number 00032743, and a registered charity, number 249635. It has been consolidated on a line by line basis. During the year ended 31 December 2015 Baptist Union Corporation Limited made a deficit of £24,263 (2014: surplus of £302,825) based on a turnover of £938,768 (2014: £927,282). The company had capital and reserves of £9,454,774 (2014: £9,479,037).

Retired Baptist Ministers' Housing Society Limited is an Industrial and Provident Society registered in England. It has been consolidated on a line by line basis. During the year ended 30 September 2015 Retired Baptist Ministers' Housing Society Limited made a surplus of £792,619 (2014: £1,194,082), and the Company had accumulated capital and reserves of £26,779,201 (2014: £25,982,582).

The Baptist Union of Great Britain appoints a majority of the Directors of Baptist Holiday Fellowship Limited, registered number 00133395, and registered charity number 270618. It has been consolidated on a line by line basis. During the year ended 30 November 2015 Baptist Holiday Fellowship Limited made a profit of £18,219 (2014: £20,168) based on a turnover of £41,087 (2014: £41,177) and the company had accumulated reserves of £370,359 (2014: £352,140).

The Baptist Union of Great Britain appoints half of the committee of the Joint Arrangement with BMS World Mission which operates Baptist House Didcot for the Union and BMS World Mission. The Union's share of the Joint Arrangement has been accounted for as a branch. During the year ended 31 October 2015 the Joint Arrangement made a surplus of £71,341 (2014: £44,919) based on a turnover of £807,342 (2014: £819,483) and the Joint Arrangement had accumulated reserves of £5,957,685 (2014: £5,886,344). Subsequent to 31 October 2015 and following an impairment review, the trustees felt it appropriate to recognise an impairment of £800,000 against the charity's investment in the Joint Arrangement.

The Baptist Union of Great Britain appoints half of the Directors of The Baptist Assembly, which is a company limited by guarantee, registered number 06782754 and registered charity, number 1128440. The Union's share of the results for the year to 31 August 2015 are included in the consolidated financial statements. While the year end is 31 August, the figures would not have been materially different if the year end had been coterminous with the Union. During the year ended 31 August 2015 the Baptist Assembly made a deficit of £4,051 (2014: surplus £164) based on a turnover of £26,825 (2014: £86,447). The company had capital and reserves of £50,551 (2014: £54,602).

Baptist House Limited is a company limited by guarantee, registered number 02366122. The Union's share has been consolidated as a joint venture. During the year ended 31 October 2015 Baptist House Limited made a surplus of £5,011 (2014: £3,782) based on a turnover of £57,887 (2014: £45,695) and the Company had an accumulated deficit on reserves of £18,430 (2014: £23,441). The Union has offered support to allow the company to trade in 2016.

BAPTIST UNION OF GREAT BRITAIN

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

15 DEBTORS	Consolidated		Charity	
	2015	2014	2015	2014
	£	£	£	£
Accrued income	913,391	674,322	706,925	647,000
Prepayments and other debtors	242,741	313,899	49,843	161,000
Loans to staff	41,249	22,179	41,249	22,179
	<u>1,197,381</u>	<u>1,010,400</u>	<u>798,017</u>	<u>830,179</u>
Baptist Strategy Building Scheme (BSBS) loans	335,708	335,708	335,708	335,708
Baptist Union Corporation (BUC) Loans:				
- Manses	4,885,436	3,624,802	-	-
- Churches	8,898,574	8,281,119	-	-
- Pensions	104,852	113,959	-	-
	<u>13,888,862</u>	<u>12,019,880</u>	<u>-</u>	<u>-</u>
	£15,421,951	£13,365,988	£1,133,725	£1,165,887

In respect of the outstanding BSBS loans of £335,708, £145,000 is due to be repaid within 12 months, £35,800 is due to be repaid within two years and £154,908 is due to be repaid in more than five years.

In respect of the outstanding BUC loans of £13,888,862 (2014: £12,019,880), £1,943,848 (2014: £1,828,716) is due to be repaid within 12 months, £1,294,949 (£1,388,614) is due to be paid within two years, £3,208,694 (2014: £3,474,185) is due to be repaid between three and five years, and £7,441,371 (2014: £5,328,365) is due to be repaid in more than five years.

Loans totalling £4,638,047 (2014: £4,265,250) have been approved but not taken up as at 31 December 2015.

16 CASH AND BANK BALANCES	Consolidated		Charity	
	2015	2014	2015	2014
	£	£	£	£
Notice Deposits	2,949,697	3,798,222	1,000,000	1,000,000
Short-term deposits	21,066,320	20,410,605	4,368,022	5,004,966
	<u>£24,016,017</u>	<u>£24,208,827</u>	<u>£5,368,022</u>	<u>£6,004,966</u>

17 CREDITORS	Consolidated		Charity	
	2015	2014	2015	2014
	£	£	£	£
Amounts falling due within one year:				
Accruals and other creditors	408,603	436,052	229,730	271,184
Trust Accounts	14,111,028	12,854,730	-	-
Loan fund deposits	12,564,793	11,493,898	-	-
Loans	2,852,717	2,722,212	-	-
	<u>£29,937,141</u>	<u>£27,506,892</u>	<u>£229,730</u>	<u>£271,184</u>

Included with the Loans balance is £1,655,926 (2014: £1,525,421) of interest free loans which represent contributions received towards the cost of properties which are to be repaid when the tenancy is terminated. These are shown as current liabilities as the dates of repayment cannot be determined.

Also, included within the loan balance is a HSBC loan of £1,196,791 (2014: £1,196,791) which is secured on 14 properties. Interest is payable monthly at 1.8% over the base rate. There are no set repayments, but the charity can make lump sum repayments when cash flow permits.

BAPTIST UNION OF GREAT BRITAIN

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

18 PROVISION FOR LIABILITIES – Consolidated and Charity

	Consolidated		Charity	
	2015 £	2014 £	2015 £	2014 £
Defined Benefit pension scheme liability	£5,795,643	£3,943,747	£5,215,815	£3,720,516
Balance at 1 January 2015		3,943,747		3,720,516
Movement in the period		1,851,896		1,495,299
Balance at 31 December 2015	£5,795,643		£5,215,815	

19 ENDOWMENT FUNDS – Consolidated and Charity

	1 January 2015 £	Incoming Resources £	Resources Expended £	Gains and Losses £	Transfers £	31 December 2015 £
	Sustentation Fund	£941,004	£28,732	£(5,330)	£(14,400)	£(28,382)
				Investments £	Current Assets £	Total £
Sustentation Fund				£787,052	£134,572	£921,624

The Sustentation Fund income is available for provision of Ministry and the income was transferred to unrestricted income to support grants for ministry in accordance with the Trust Deed.

20 RESTRICTED FUNDS

	1 January 2015 £	Incoming Resources £	Resources Expended £	Gains and Losses £	Transfers £	31 December 2015 £
Continental Fund	60,672	760	(61,413)	(19)	-	-
Deaconesses' Benevolent Fund	14,375	86	(2,000)	-	-	12,461
Ministers' Benevolent Fund	67,946	2,345	(7,959)	(1,143)	-	61,189
Retired Ministers' Benevolent Fund	226,162	8,073	(1,830)	(3,987)	-	228,418
Widows' Benevolent Fund	12,327	107	(1,800)	-	-	10,634
J A Spurgeon Memorial Fund	458,213	14,995	(10,323)	(7,291)	(455,594)	-
Total Charity	839,695	26,366	(85,325)	(12,440)	(455,594)	312,702
Retired Baptist Ministers Housing Society	25,986,582	1,147,121	(352,297)	(2,205)	-	26,779,201
Baptist Union Corporation	488,456	99	(23,560)	-	-	464,995
Total Consolidated	£27,314,733	£1,173,586	£(461,182)	£(14,645)	£(455,594)	£27,556,898

BAPTIST UNION OF GREAT BRITAIN

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

20 RESTRICTED FUNDS (continued)	Fixed Assets	Investments	Current Assets	Total
	£	£	£	£
(a) Continental Fund	-	-	-	-
(b) Deaconesses' Benevolent Fund	-	-	12,461	12,461
(c) Ministers' Benevolent Fund	-	62,187	(998)	61,189
(d) Retired Ministers' Benevolent Fund	-	216,829	11,589	228,418
(e) Widows' Benevolent Fund	-	-	10,634	10,634
(f) J A Spurgeon Memorial Fund	-	-	-	-
Total Charity	-	279,016	33,686	312,702
(g) Retired Baptist Ministers Housing Society	29,274,866	27,314	(2,522,979)	26,779,201
(h) Baptist Union Corporation	333,321	-	131,674	464,995
Total Consolidated	£29,608,187	£306,330	£(2,357,619)	£27,556,898

- (a) The Continental Fund is used for facilitating contact with the Baptist Union in Europe. During the year the fund was closed and funds paid out to the European Baptist Federation.
- (b) The Deaconesses' Benevolent Fund assists former members of the Deaconesses' Order.
- (c) The Ministers' Benevolent Fund assists ministers on the accredited list.
- (d) The Retired Ministers' Benevolent Fund assists retired ministers on the accredited list.
- (e) The Widows' Benevolent Fund assists widows of ministers who were on the accredited list.
- (f) The JA Spurgeon Memorial Fund makes grants for holidays for Baptist ministers who meet the criteria required. This fund was closed in the year with the fund balance being transferred to a set up a new designated Pastoral Fund.
- (g) Retired Baptist Ministers Housing Society provides housing for retired Baptist ministers and their spouses.
- (h) Baptist Union Corporation holds freehold properties for direct charitable purposes and are for the housing of retired Baptist ministers, missionaries and widows.

21 DESIGNATED FUNDS

	1 January 2015 £	Incoming Resources £	Resources Expended £	Gains and Losses £	Transfers £	31 December 2015 £
Newington Court	3,984,227	130,302	(177,931)	(64,515)	-	3,872,083
Student Training capital	4,899,130	155,174	(182,033)	(76,752)	(30,000)	4,765,519
Loan fund capital	6,154,149	-	-	223,823	-	6,377,972
Baptist Strategy Building Scheme	335,708	-	-	-	-	335,708
Pension Reserve	1,569,743	442,603	(4,331)	(12,307)	(200,000)	1,795,708
Baptist House JA Inv	2,900,000	-	-	-	(800,000)	2,100,000
Fixed Asset Reserve	3,182,456	-	-	-	-	3,182,456
One off Projects Reserve	-	-	(40,937)	-	250,000	209,063
Pastoral Fund	-	-	-	-	455,594	455,594
Ministry Review Fund	-	-	-	-	100,000	100,000
Mission Support Fund	-	-	-	-	210,000	210,000
Total Charity	23,025,413	728,079	(405,232)	70,249	(14,406)	23,404,103
Loan fund capital – removed on consolidation	(6,154,149)	-	-	(223,823)	-	(6,377,972)
Total Consolidated	£16,871,264	£728,079	£(405,232)	£(153,574)	£(14,406)	£17,026,131

BAPTIST UNION OF GREAT BRITAIN

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

21 DESIGNATED FUNDS (continued)

	Fixed Assets	Investments	Current Assets	Total
	£	£	£	£
(a) Newington Court	-	3,323,942	548,141	3,872,083
(b) Student Training capital	-	4,285,296	480,223	4,765,519
(c) Loan fund capital	-	-	-	-
(d) Baptist Strategy Building Scheme	-	-	335,708	335,708
(e) Pension Reserve	-	697,923	1,097,785	1,795,708
(f) Baptist House JA Investment	-	2,100,000	-	2,100,000
(g) Fixed Asset Reserve	3,182,456	-	-	3,182,456
(h) One-off Projects Reserve	-	-	209,063	209,063
(i) Pastoral Fund	-	396,523	59,071	455,594
(j) Ministry Review Fund	-	-	100,000	100,000
(k) Mission Support Fund	-	-	210,000	210,000
	£3,182,456	£10,803,684	£3,039,991	£17,026,131

- (a) The proceeds of Newington Court, which are unrestricted funds, have been designated, with income and capital as appropriate, to be allocated by the Trustees for mission purposes.
- (b) The Student Training capital is used to supplement grants to students in colleges. The Student Training income is the balance of income not yet utilized.
- (c) The Loan fund capital is the investment in the Baptist Union Loan Fund, which will only be repaid if the Loan Fund is wound up – this is removed on consolidation.
- (d) The Baptist Strategy Building Scheme provided loan finance to churches in strategic places. The fund represents balances outstanding and is no longer open to new applications.
- (e) The Pension Reserve represents the Union's share of the proceeds of church buildings received under Ultimate Trusts. An employers group has been established to guide the trustees in the use of these funds.
- (f) The Baptist House Joint Arrangement Investment – as with the fixed asset reserve above this recognises the investment in Baptist House that is used for operational purposes and is not readily a liquid asset. During 2015 the trustees felt it appropriate to recognise an impairment of £800,000 against the BUGB's investment in Joint Arrangement.
- (g) The Fixed Asset Reserve – the Charities SORP specifically allows funds held as tangible fixed assets for charity use to be excluded from reserves. This recognises that certain assets will be used operationally and their disposal may adversely impact on a charity's ability to deliver its aims. Thus for BUGB this reserve includes essential housing provided for Association and other Union staff.
- (h) The One off Projects Reserve was set up in 2015 to facilitate one-off strategic mission projects. It is envisaged that the fund will be fully spent by 2018.
- (i) The Pastoral Fund was created in 2015 from the former JA Spurgeon Memorial Fund and exists for the relief of need, hardship or distress.
- (j) The Ministry Review Fund was set up in 2015, to provide assistance in completing the ministry review in a timely manner and facilitating extraordinary expenditure deemed necessary by BUGB, in support of the implementation of the Ignite Project.
- (k) The Mission Support Fund was set up in 2015, to provide assistance in developing mission throughout Great Britain, payments from the fund being assessed on the basis of perceived need as determined by the BUGB Baptist Steering Group – the definition of mission is consistent with the wider vision of Baptists Together.

22 ANALYSIS OF NET ASSETS - Consolidated

	Fixed Assets	Investments	Current Assets	Provisions	Total
	£	£	£	£	£
Endowment Funds	-	787,052	134,572	-	921,624
Restricted Funds	29,608,187	306,330	(2,357,619)	-	27,556,898
Designated Funds	3,182,456	11,603,684	2,239,991	-	17,026,131
Unrestricted Funds	3,246,338	4,343,094	9,493,416	(5,795,643)	11,287,205
	£36,036,981	£17,040,160	£9,510,360	£(5,795,643)	£56,791,858

BAPTIST UNION OF GREAT BRITAIN

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

23 MISSION GRANTS

The Baptist Union of Great Britain makes grants to some of its member churches for the provision of ministers and to other Baptist and ecumenical organisations in the furtherance of the Union's objects as set out in the trustees report.

The largest grants made during the year were as follows:

	2015	2014
	£	£
Ecumenical Grants		
General Grants for Baptist Organisations	59,450	55,900
European Baptist Federation	8,200	9,500
Educational Help for European Baptists	60,000	-
Churches Together in England	20,000	24,000
Cytun	7,000	14,319
Churches Together in Britain and Ireland	7,000	9,000
World Council of Churches	5,000	8,000
Free Churches Council	1,500	7,800
Other grants	8,306	3,359
	£176,456	£131,878
Summary		
Ecumenical grants	176,456	131,878
Mission grants	1,848,845	1,744,039
Other grants	19,163	132,000
	£2,044,464	£2,007,917

24 PENSIONS

The Union is an employer participating in two multi-employer pension schemes: the Baptist Pension Scheme ("the BPS") and the Baptist Union Staff Pension Scheme ("the BUSPS"). The BPS and BUSPS are separate legal entities which are both administered by the Pension Trustee (Baptist Pension Trust Limited).

From January 2012, pension provision for the Ministers and members of staff is being made through the Defined Contribution (DC) Plan within the BPS. In general, members pay 8% of their Pensionable Income and employers pay 6% of members' Pensionable Income into individual pension accounts, which are operated and managed on behalf of the Pension Trustee by Legal and General Life Assurance Society Limited. 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 BPS members in the event that they are unable to work due to long-term incapacity. This income protection policy has been insured by the Baptist Union of Great Britain with Unum Limited. Members of the Basic Section of BPS pay reduced contributions of 5% of Pensionable Income, and their employers also pay a total of 5%.

Benefits in respect of service prior to 1 January 2012 are provided through the Defined Benefit (DB) Plan within the BPS, or through the BUSPS. The main benefits were:

- In the BPS, a defined benefit pension of one eightieth of Final Minimum Pensionable Income for each year of Pensionable Service, together with additional pension in respect of premiums paid on Pensionable Income in excess of Minimum Pensionable Income.
- In the BUSPS, a pension of one seventieth of a member's average salary over the last three years of pensionable service.
- The BPS, previously known as the Baptist Ministers' Pension Fund, started in 1925, and the BUSPs started in 1969. Both schemes were closed to future accrual of defined benefits on 31 December 2011. Neither scheme is contracted out of the State Second Pension.

The table below summarises the main results of the most recent actuarial valuations of the BUSPS and the Defined Benefit (DB) Plan in the BPS. These valuations were performed by a professionally qualified Actuary using the Projected Unit Method.

BAPTIST UNION OF GREAT BRITAIN

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

24 PENSIONS (continued)

	BPS DB Plan	BUSPS
Date of valuation	31 December 2013	1 January 2014
Date next valuation due	31 December 2016	1 January 2017
Market value of scheme assets (A)	£162m	£7.3m
Technical provisions (B)	£246m	£12.4m
Deficit [(B) – (A)]	£84m	£5.1m
Funding level [(A) / (B)]	66%	59%

As a result of the valuations, in addition to the contributions to the DC Plan set out above, it has been agreed:

- For the BPS, to increase the standard rate of deficiency contributions payable by churches and other employers involved in the DB Plan from 11% of Pensionable Income/ Minimum Pensionable Income to be based on a 12% rate from 1 January 2016. The contributions will be based on each church's or other employer's position at March 2015. Some churches or other employers that were only involved in the DB Plan for a short period will pay less than 12%. The Recovery Plan envisages deficiency contributions continuing until 30 June 2035.
- For the BUSPS, to increase deficiency contributions from their current levels to an aggregate between the employers of £759,000 pa from 1 January 2016. Under the schedule and contributions this amount will increase each January in line with RPI inflation until 31 December 2023, and is split between the BUSPS sponsoring employers in line with their estimated share of the BUSPS liabilities, the Baptist Union of Great Britain's current share being approximately £575k (charity only) including an amount of £58k relating to Baptist Times Limited and £638k (consolidated). The Recovery Plan that sets out these contributions envisages deficiency contributions being required for some 10 years.

The financial assumptions underlying the valuations were as follows:

Type of assumption	% pa
RPI price inflation assumption	3.60
CPI price inflation assumption	2.85
Minimum Pensionable Income increases (BPS only)	3.85
Pensionable Salary increases (BUSPS only)	3.85
Assumed investment returns	
- Pre-retirement	5.10
- Post retirement	3.95
Deferred pension increases	
- Pre April 2009	3.60
- Post April 2009	2.50
Pension increases (BPS main scheme pension and BUSPS pension)	
- Pre April 2006	3.40
- Post April 2006	2.30

BAPTIST UNION OF GREAT BRITAIN**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015****24 PENSIONS (continued)**

As there is a large number of contributing employers participating in the BPS and the BUSPS, the Union does not have sufficient information to identify its share of the underlying assets and liabilities of the schemes. Accordingly, due to their nature, the schemes are accounted for as if they were defined contribution schemes.

The total pension cost recognised in the Statement of Financial Activities is:

	2015	2014
Defined contribution plan:		
- current period contributions	83,101	89,458
Multi-employer defined benefit plans:		
BPS - deficiency contributions in respect of prior service periods	29,955	29,141
BUSPS - deficiency contributions in respect of prior service periods	159,203	170,458
	<u>272,259</u>	<u>289,057</u>
BPS - additional funding charge	1,851,896	(218,464)
	<u>2,124,155</u>	<u>70,593</u>

A liability of £5,215,815 (2014: £3,943,747) has been recognised in respect of the agreed deficit payment plan of the BUSPS, representing the present value of future deficiency contributions payable under the terms of its agreement with the BUSPS, with the resulting expense of £1,851,896 (2014: credit of £218,464) recognised in the Statement of Financial Activities.

It is not possible to reliably measure or accurately estimate the Union's share of the liability arising on the agreed deficit payment plan of the BPS, therefore no similar provision has been included at 31 December 2014 or 31 December 2015.

An Actuarial valuation of the Ministers' fund DB Plan will take place not later than 31 December 2016 and an actuarial valuation of the Staff Scheme DB Plan will also take place on 1 January 2017. The results of these valuations are expected to be available by the end of 2017.

25 RECONCILIATION OF NET CASH PROVIDED BY OPERATING ACTIVITIES

	2015	2014
	£	£
Net income for the reporting period	1,479,590	1,820,245
Adjustments for:		
- Depreciation	32,745	37,296
- Dividends and interest from investments	(924,610)	(802,292)
- Net gains on sale of fixed assets	(321,120)	(743,946)
- Decrease in stocks	4,239	550
- Increase in debtors	(2,055,963)	(11,319,797)
- Increase in creditors	2,430,060	24,331,079
Net cash provided by operating activities	<u>£644,941</u>	<u>£13,323,135</u>

BAPTIST UNION OF GREAT BRITAIN

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

26 ANALYSIS OF CASH AND CASH EQUIVALENTS

	1 Jan 2015	Cash Flow	31 Dec 2015
	£	£	£
Notice deposits	3,798,222	(848,525)	2,949,697
Short-term deposits	20,410,605	655,715	21,066,320
	£24,208,827	£(192,810)	£24,016,017

Included within the total cash balance is £134,572 (2014: £134,572) attributable to the endowment fund, and therefore this amount is not available to use to further the activities of the charity.

27 RELATED PARTY TRANSACTIONS

There are no related party transactions that require disclosure in the financial statements.

28 TRANSITION TO FRS 102

(i) Date of Transition to FRS 102

This is the first period that the Baptist Union of Great Britain has presented its results under the Charities Statement of Recommended Practice (Charities SORP (FRS 102)). The date of transition to FRS 102 was 1 January 2014. Set out below are the changes which reconcile total net assets and funds as at 1 January 2014 and as at 31 December 2014, and the net movement in funds during the year ended 31 December 2014.

(ii) Consolidated balance sheet

	At 1 January 2014			At 31 December 2014		
	As previously stated £	Effect of transition £	As restated £	As previously stated £	Effect of transition £	As restated £
Net current assets	5,383,009	-	5,383,009	10,081,695	-	10,081,695
Total assets less current liabilities	55,385,447	-	55,385,447	61,622,855	-	61,622,855
Provision for liabilities – Defined Benefit Pension Scheme Liability		(4,162,211)	(4,162,211)		(3,943,747)	(3,943,747)
Total net assets	£55,385,477	£(4,162,211)	£51,223,236	£61,622,855	£(3,943,747)	£57,679,108
Funds of the charity						
Endowment Funds	902,569	-	902,569	941,004	-	941,004
Restricted Funds	25,572,338	-	25,572,338	27,314,733	-	27,314,733
Designated Funds	22,351,438	-	22,351,438	16,871,264	-	16,871,264
Unrestricted Funds	6,559,132	(4,162,211)	2,396,921	16,495,854	(3,943,747)	12,552,107
	£55,385,477	£(4,162,211)	£51,223,266	£61,622,855	£(3,943,747)	£57,679,108

28 TRANSITION TO FRS 102 (continued)**(iii) Consolidated statement of financial activities**

	At 31 December 2014		
	As previously stated £	Effect of transition £	As restated £
Net income before other recognised losses	2,888,710	-	2,888,710
Actuarial gains on defined benefit pension schemes	-	218,464	218,464
Net movement in funds	2,888,710	218,464	3,107,174
Total funds brought forward	58,734,145	(4,162,211)	54,571,934
TOTAL FUNDS CARRIED FORWARD	£61,622,855	£(3,943,747)	£57,679,108

(iv) Notes on Adjustments on Transition to FRS 102**Defined benefit pension scheme funding charge**

FRS 102 requires the provision for the present value of deficiency contributions payable under defined benefit pension schemes. This has resulted in the charity recognising a provision of £4,162,211 on transition to FRS 102.

In the year to 31 December 2014 a movement in the provision of £218,464 was recognised in the statement of financial activities. The total provision at 31 December 2014 was £3,943,747.