



Annual
Report
2017

The Trustees of the Baptist Union of Great Britain (The Union) present their Annual Report together with the audited financial statements for the year ended 31 December 2017 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, regional associations and colleges that make up Baptists Together and to the staff of the specialist teams based at Baptist House for all their generosity in supporting us to achieve our mission.

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 Baptists Together we value the freedom of the 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 Union'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.



Public Benefit

Having regard to the guidance published by the Charity Commission (PB2), 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 2017 the Union continued to support its member churches, regional associations and colleges by providing grants, practical support, guidance and expertise and by representing its members in the public arena. Throughout this report further detail and information is to be found about specific initiatives in 2017 and how they relate to the overall strategy of the Union.

Our Strategies to achieve success

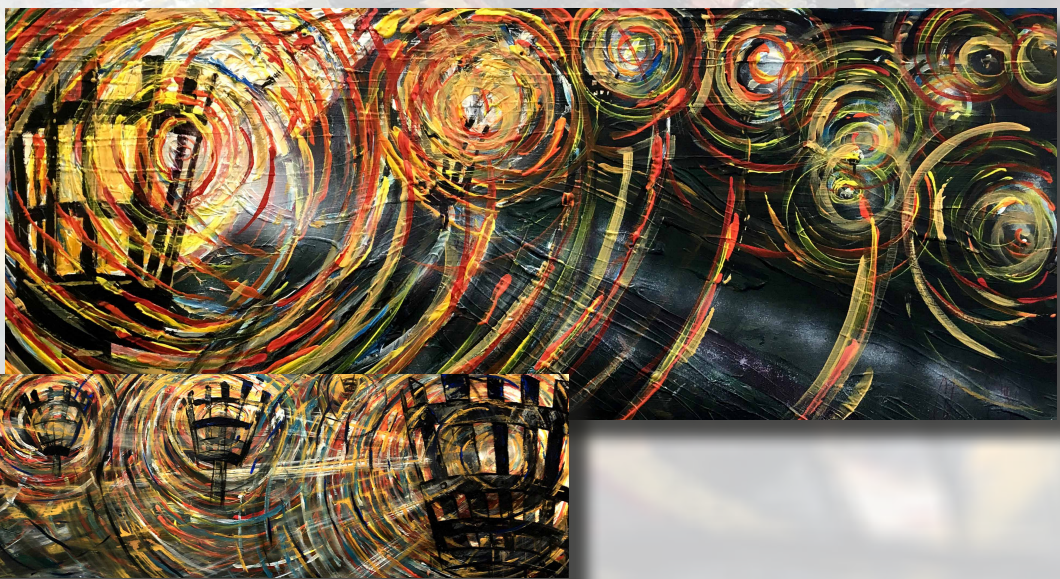
Whilst the objects of the Union continue much unchanged from year to year, the work of the Union to achieve these is reviewed periodically to ensure there is effective and appropriate provision and support for Ministers of Religion, other church leaders and the churches, regional associations and colleges.

The 'Futures Review' undertaken in 2012 outlined the main strategic direction, objectives and values of the Union which continue to be implemented. The strategy of the Union arises from this and is encapsulated in the phrase:

'Growing healthy churches in relationship for God's mission'

To do this, we believe that we must intentionally develop a Union that encourages and builds upon our relationships together as more than 1900 member churches, 13 member regional associations and 5 member colleges ie Baptists Together.

We continue to develop relationships with other Baptist organisations in the UK through the Fellowship of Baptists in Britain and Ireland, with Europe through the European Baptist Federation, and the world through the Baptist World Alliance.



In creating our 'Beacons of Prayer' paintings, Chris Duffett has tried to capture the energy and power of people and groups who pray, which in turn spark off other beacons of praying people across the land to seek God.

To achieve this vision, Baptists Together is committed to intentionally developing a culture where we...

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. (1 Corinthians 12:24b-27)

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)

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

Our projects and priorities to 2020 are

- That our vision for Baptists Together is clearly embraced and understood and our renewed culture has become the norm
- To 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
- To 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 Regional Associations and our Union as a whole
- To further develop our communications strategy

At each meeting of the Trustee Board, the General Secretary reports to the Trustees on progress against these objectives. Where appropriate, the Union uses key performance indicators to ensure that objective measurement of achievement against these objectives can be tracked.

Achievements and Performance

Our vision is 'Growing healthy churches in relationship for God's mission' and because of this we focus our prayer, gifts and resources to enable every single one of our churches and missional communities to be a Beacon of Hope in the places that God has called them. In 2017 we continued to make progress with our Projects and Priorities (see page 6). Key highlights are as follows:

- 2017 has seen some significant steps forward in the development and implementation of the recommendations from the Ignite report which explored what sort of ministry we needed for the 21st Century. The endorsement of the Marks of Ministry, creation of the MIX (Ministries Information Exchange) digital file storage system and the development of consistent assessment for the recognition of calling to ministry across Baptists Together represent significant progress in this area.
- We are on schedule to complete our three-year plan to establish excellence in safeguarding across our Union in 2018 and this, together with the successful completion of our Historic Case Review indicates the strength and commitment of our collaborative working in safeguarding.
- Progress in developing sustainable finances has been achieved through the piloting of a new Baptists Together legacy programme. Furthermore, a major piece of work for 2017 has been the collaborative development of a 'family solution' to address our Defined Benefit Pension deficit. The importance of this work cannot be underestimated.
- To ensure best practice in the operation of the Trustee Board, in 2017 a new Trustee Handbook was produced and adopted by The Union's Trustees which is aligned to the recommendations of the Charity Governance Code.
- Despite lengthy exploration in 2017, we did not make the progress that we had hoped in terms of developing a common understanding of the governance relationships we need to take us forward. A new approach to this for 2018 has already been initiated.

"God is calling a variety of people to Baptist leadership; men and women leading with courage, spiritual vision, focus and dependence on God."



*Dianne Tidball
Baptists Together President 2017-18*



*Lynn Green,
General Secretary
Baptists Together*

From Gateshead to Truro and from Cardiff and Colwyn Bay to Canterbury and Norfolk Dianne Tidball, our President, and Lynn Green, our General Secretary, have had the privilege of seeing Baptist churches seeking God's Kingdom up and down the country. Between them, they have been able to encourage and offer vision and leadership to over 100 Baptist churches in 2017, as well as contributing to nearly 40 conferences and leader's gatherings and engaging with other churches ecumenically and internationally.

Lynn notes "I am so encouraged and inspired by the churches and leaders that I meet. God is at work in so many different ways and it is wonderful to see!"

"It is evident that God by his Spirit is using Baptist communities to bring heaven to earth; to punch holes in the darkness and to bring light into broken and hurting lives."

Dianne Tidball



The Faith and Society Team has continued to support our churches, regional associations and colleges with resources and initiatives to enable their mission and ministry. This enables Baptists Together to play 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 and promote engagement with local communities and activity which provides benefit to wider society.

“We’re not a café church. We are church”

*When Baptist pastor Rob Morse wrote about **The Table**, in Cardiff, a story of how a small and declining Baptist church dispensed with its Sunday gathering to do church in a new way, it captured the imagination. Despite only being published in September, it quickly became the most viewed story in **The Baptist Times** in 2017.*

THE BAPTIST TIMES
The online newspaper of the Baptist Union of Great Britain

Regional News [Back to Baptist Times Home](#)

“We’re not a café church. We are church”

The Table, Cardiff: the story of how a Baptist church dispensed with its Sunday gathering to do church in a new way

When Rob Morse first visited Pentyrch St Baptist Church, he admits he questioned whether it should “just close up”. After all, there are plenty of other good churches in Cardiff to accommodate its members, several right on their doorstep.

But the reply from the eight-strong congregation was definite: “We believe God has told us to keep the doors open. And we’re going to do it, no matter what.”

Rob and wife Kate joined the fellowship, and sensing something different was on the horizon, invited the congregation to accept some changes.

“We need to start thinking differently,” Rob told them. “God is a creator God, and we are created in his image. We need to rediscover creativity that breaks with convention, that frees thinking and does not confine faith to experience.”



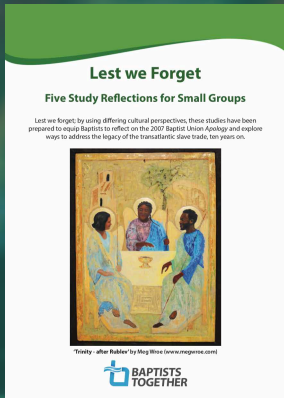
“I want to serve and to love others simply because Jesus loves me.”

Dion White, the first ever participant in the Inspiring Leadership Programme

2017 saw the launch of the Inspiring Leadership Programme, which seeks to encourage mainly Baptist young people of colour, between the ages of 18-23, to develop their leadership potential in Jamaica with the support of our Union’s long-standing partner, the Jamaica Baptist Union.

Resourcing

The Faith and Society Team engages in theological reflection and research to provide information and study resources on a variety of social and political issues. Several resources published in 2017 related to the 10th anniversary of our Union's Apology for the slave trade. These included:



- ***Journeying to Justice***, the first comprehensive appraisal of the journey towards equity and reconciliation among British and Jamaican Baptists.
- ***Lest We Forget***, a new series of study reflections for small groups to provide further reflection and interpretation on The Apology itself and The Journey.
- ***Pentecost People***, an online resource to help churches experience multicultural worship and prayer.

Other resources in 2017 included ***Moving Stories***, a collection of studies for small groups to aid theological reflection on the refugee and migration crisis, and our **Monthly update email**, which contains information on resources and events of interest to Baptist churches.

Another aspect of our resourcing involves giving our churches **crisis media support** when a difficult issue arises.



Connecting

The Faith and Society Team helps to develop and maintain dialogue with other Christians in the UK and worldwide.



These include the **Joint Public Issues Team**, a Baptist, 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. In 2017 our work involved campaigning for a ban on nuclear weapons, challenging unjust policy on benefit caps and sanctions and quickly developing briefing documents for the snap General Election.



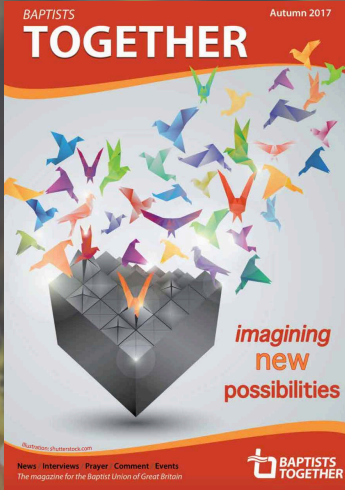
Internationally, the Faith and Society Team also develops and maintains links with the **European Baptist Federation** and **Baptist World Alliance**. Nationally we work alongside Churches Together in England, and Churches Together in Britain and Ireland as well as other national Christian organisations. In 2017 a collaboration with Spurgeons Children's Charity resulted in resources that explored our Presidential theme and marked the charity's 150th birthday.



Communicating

One of the key roles of the Faith and Society Team is communicating – sharing news and views across the Baptist world and supporting our churches in their communication. In 2017 we have:

Produced three editions of **Baptists Together magazine**, encompassing themes of leadership, being Beacons of Hope, and imagining new possibilities; grown and **developed our social media channels**, including hosting a Facebook live prayer gathering at Baptist Union Council and experimenting with boosting of posts.



Published more than two **Home Mission stories each month**, sharing the Kingdom impact of our supporters' giving.

Produced **The Baptist Times**, our daily updated online newspaper featuring stories, opinions, baptisms, obituaries, jobs and reviews. The Baptist Times is a place of record for The Baptist Assembly and Baptist Union Council.



Networking

Members of the Faith and Society team actively contribute to (and in some cases lead) a number of Baptist networks which gather to share particular areas of expertise and experiences to help inform our churches. In 2017 these included:

Children, Young People and Families



Joining the dots between church, home and school

Children, Youth and Families Round Table

Inter Faith Working Group

Justice Working Groups – covering race, gender and disability

Larger Churches' Network

£42.2million

Amount of deposits

£14.4million

Funds on loan to 98 churches

£4.1million

In new loans to churches agreed

100%

Good or excellent service rating on our loan application process.

Financial Services for churches

The Support Services Team continues to operate the Baptists Together Loan Fund and Baptists Together Deposit Scheme.

The Deposit Scheme offers competitive rates of interest of up to 1.25% on deposits with the Baptist Union Corporation from member churches and Regional associations. We relaunched the scheme in April 2017 with tiered rates of interest for 7-day notice, 3-month notice and 1 year fixed rate accounts. We were very encouraged by the response and deposits increased by over 40% during 2017. We are targeting to continue to grow the level of deposits in 2018.

Using the funds deposited under the Deposit Scheme, we continue to offer loans to churches for acquisition and development of church buildings and manses. We also offer loans to churches who have suffered a cessation event and need to settle a debt to the Baptist Pension Scheme. This offers churches access to finance at competitive rates of interest with much lower fees than commercial lending.



Background image shows Whetstone Baptist Church whose building work has been enabled by Support Services

2505properties in trust across
1,343 churches**£12.8**million53 property transitions
supported**26%**

of trust deeds digitised



Property Trustee Services for churches

The Baptist Union Corporation continues to support member churches by acting as a Property Trustee for church buildings, manses and other properties. As the majority of our member churches are unincorporated associations, they are unable to directly hold property, so this service is a key practical support to churches in their work.

In 2017 we also took over trusteeship of all properties from the North West Baptist Trust Corporation. We operate the East Midlands Baptist Trust Corporation on behalf of their Trustees and provide support to the Yorkshire Baptist Association Incorporated. As part of this service, we assist churches in the acquisition and disposal of properties, helping the church to comply with its trust deeds and Charity Commission requirements.

One of our key improvement projects in this area is the digitising of trust deeds in order to safeguard key church legal documents from deterioration and risk of fire and other damage and also to make them more readily accessible for churches. We have now completed the first year of this three year programme of work.

Pensions

A key focus of the Support Services Team in 2017, which will continue into 2018 is our pension schemes.

The Baptist Union Staff Scheme is a closed Defined Benefit Pension scheme which provides pension benefits to staff of the Baptist Union of Great Britain, Baptist associations and Baptist colleges. The scheme has completed its triennial valuation in March 2018, under which payments were made totalling £2.8m (£2.1m from BUGB and £0.7m from other employers) up to March 2018 to improve the funding position of the scheme. In partnership with the other employers in the scheme, we are seeking to progress a buy-out of the scheme during 2018.

The Baptist Ministers Pension Scheme is a closed Defined Benefit Pension Scheme which provides pensions to Baptist Ministers. The scheme has completed its triennial valuation in April 2018. The Support Services Team have worked with the Pension Employers' Group to finalise the valuation and associated funding plan, which reduces the planned period for which churches and other employers will need to pay deficit contributions by 6½ years.

100%

good or excellent
rating on our advice
service from survey



Specialist Advice and Support for churches

We continue to support churches with advice and support on a number of specialist topics.

We publish and maintain over 100 leaflets including church finance, charity issues, legal and trust issues, listed buildings, property and tax, which provide a comprehensive suite of guidance to enable churches to operate effectively and substantially reducing their need to buy in external advice.

We also provide bespoke advice to support churches where they have specific issues not covered by our leaflets. The scope of work we can carry out in this area was enhanced in 2017 by two of our staff being issued with Legal Practising Certificates by the Solicitors Regulatory Authority.

During 2017 we also ran training workshops for churches on development of church buildings and churches incorporating as Charitable Incorporated Organisations (CIOs).



Supporting Baptists Together

The Support Services Team supports the internal operations of Baptists Together and the Baptist Union charity itself. This includes administration of the Home Mission Fund to bring together the funds collected by regional associations and distribute them according to the agreed funding formula. We also operate the collection of Subscriptions from member churches, associations, colleges and personal members. In 2017, the amount of subscriptions collected increased by 10.3%, due to an increase of 8.75% in the subscription rate and a 1.5% improvement in the collection rate.

During the year we continued to roll out our new Collaborate database which is a single national database of our churches and ministers. This is accessible via a web interface to staff in the specialist teams and regional associations and is enabling the teams to work more efficiently on a daily basis. The Annual Returns process for updating the data we hold is now directly linked to Collaborate with 77% of member churches completing an annual return and about 90% of those being online. We are targeting an increase in the completion rate of annual returns to over 80% in 2018.

A key ongoing project throughout 2017 has been to move the operations of Baptist Union of Great Britain to a Charitable Incorporated Organisation structure, which is more suitable for a charity of our size and complexity. We plan to complete this in 2018, subject to the consent of our members at Baptist Assembly 2018. A new constitution has been drafted and members consulted.

We also operate the IT for Baptists Together and have moved a number of our services to Cloud-hosted services in 2017, including our Collaborate Database, our finance system and our file sharing. This has enhanced the reliability, flexibility and long-term cost-effectiveness of our IT. We are working to complete the move to cloud based services in 2018.

Whetstone Baptist Church New Building

The Support Services Team continues to operate the Baptists Together Loan Fund and Baptists Together Deposit Scheme.

Whetstone Baptist Church has been worshipping in the current church buildings since 1909, but their growing fellowship now needs a new facility to support their ministry.

The church developed a vision for a flexible, contemporary, community friendly building that would allow their work to expand. In 2016, with the land and design in place for a new £4m building, a loan of £1.1m from the Baptists Together Loan Fund enabled the two year build programme to commence.



“The speed, helpfulness and excellence of the loan fund service was a real blessing. We have nothing but thanks and praise.”

Dr Hanning, Church Secretary Whetstone Baptist Church



Safeguarding

The national Safeguarding Team provides support to associations, colleges and churches across Baptists Together in three key areas:

- Providing template policies, procedures and best practice guidelines
- Leading our work on the Excellence in Safeguarding training programmes
- Providing specialist advice and support on safeguarding concerns, including complex cases or those which generate national media interest

During 2017, we have launched the new template policies and procedures for safeguarding in Baptist churches, as well as new guidance on putting in place safeguarding contracts for offenders who wish to attend a Baptist church.

4,000

people attended one of our Excellence in Safeguarding courses during 2017

120

trainers able to deliver training for Baptist churches – this is 100 more than in 2015!



10,400

DBS checks were carried out through our DBS checking partner, DDC Ltd, last year. This is paid by BUGB, meaning all volunteer checks are free of charge for Baptist churches.

Our training is now available in Farsi and in Portuguese, with a Spanish version underway

Our Excellence in Safeguarding training, re-launched in 2016, has been extremely well received, and more than 4,000 ministers, church workers and volunteers have been through Level 2 and/or Level 3 training in 2017. To make this possible, we have trained more than 120 specialist trainers this year to be able to deliver these courses to our high quality standards.

This increase in both quality and capacity to deliver our safeguarding training means that the level of safeguarding knowledge and awareness is growing rapidly across our Union.

Background image is from the new Level 1 Safeguarding video

Safeguarding

Our most recent launch has been the new Level 1 Excellence in Safeguarding film for use in all age services, accompanied by a set of materials for children's Sunday School and study groups.

Our advice is increasingly sought on complex safeguarding concerns raised by churches, and this mirrors the growing profile of safeguarding in our society and in our national media.

Whilst our caseload has grown, we recognise that this is because many of those who have experienced abuse feel more confident that they would be supported by their church if they disclose. We continue to work on how we can provide the support and pastoral care that is needed by survivors of abuse, and those currently in abusive situations.

BAPTISTS TOGETHER

Safeguarding is about making our church a SAFER place for everyone




BAPTISTS TOGETHER

If you ever feel sad, frightened, or worried about something that is happening to you or somebody else, always talk to someone you trust






BAPTISTS TOGETHER

Our lives are very busy, but we always need to be ready to listen and act on what we hear.





Human Resources

Our HR Adviser provides specialist guidance and support to churches on employment matters, including recruitment, performance management, managing health and attendance issues and how to end employment fairly. 600 hours of advice were provided in 2017, saving churches the often expensive costs of seeking legal advice on common employment issues.

Background image is from the new Level 1 Safeguarding video



28
students started their formation



37
enrolled as newly
accredited ministers



49
newly accredited ministers
became fully accredited



The Ministries Team works in collaboration with the 13 regional associations and five training colleges in supporting the training and ongoing development of ministers to work within Baptist churches, chaplaincy, church planting and pioneering, and other third sector organisations. During 2017, 28 ministerial students started their formation, 37 ministers enrolled as Newly Accredited Ministers and 49 Newly Accredited Ministers progressed to become Fully Accredited Ministers. These numbers are lower than previous years and this is a cause for some concern. We recognise that ministry is changing and are adapting our approach to reflect this.



14
Ministers have been helped to
undertake masters or doctorates



21
students have received financial
support through bursary payments

The Ministries Team works in collaboration with the 13 Regional Associations and five training colleges in supporting the training and ongoing development of ministers to work within Baptist churches

Financial support has been provided to 21 Ministerial Students in bursary payments and we've simplified the application process for these grants, which are now administered by the colleges so that students make one application rather than two. We've also provided funding for 14 ministers to help them undertake masters or doctorates as part of their ongoing development and we've funded one PhD scholarship holder, David McLachlan whose working title is: 'The Wheelchair at the Feast: Theology, Justice and Disabled Access to the Kingdom of Heaven'.

Following the introduction of the Apprenticeship Levy, we've been working with ecumenical partners to develop a degree level apprenticeship scheme for the training of ministers. Subject to approval from the Institute of Apprenticeships this will enable funding for the training costs for ministerial formation to be funded by the scheme, rather than by the individual being trained or the church where they minister. Hopefully this will make training more accessible, particularly for those who already have another degree and struggle to find further funding.

Through the work of the National Settlement Team 72 ministers and 88 churches settled (16 found ministers outside of the system). At the end of the year a review process began which involved surveying all the churches and ministers who have used the system in the last three years.

We provided short term counselling support to 68 ministers and adult members of their households through Churches' Ministerial Counselling Scheme (CMCS) during the year. One minister wrote 'It is not an overstatement to say that without this counselling I would not have remained in ministry.'



The implementation of the Ignite Report continued through the year, with the adoption of the Marks for Calling and for Formation. At times it feels like we've been trying to squeeze ministers into boxes, rather than releasing them to follow the Lord's leading. We're seeking to be much more flexible in recognising and affirming the variety of ways in which men and women are called into ministry, and how that ministry changes and develops over time.

For example we've made changes to enable those called to chaplaincy to train in situ and undertake their NAMs process as a chaplain, rather than doing this in a church setting first, and that's now happening. We've enabled Urban Expressions to commend people to us for ministry and recognised Rural Ministries as a calling body. Work began on developing new application and assessment processes for discerning the initial call to ministry, which are based on the Marks and will provide a consistent approach across the country.

The scanning of all the files held by Ministries was completed and the encrypted SharePoint system MIX (Ministry Information eXchange) was developed to hold them. In 2018 this will be rolled out to the associations and colleges, to enable us to work as one team, but it has already revolutionised the way the Ministries team works.

72

ministers
settled

We're seeking to be much more flexible in recognising and affirming the variety of ways in which men and women are called into ministry

88

Churches
settled

Work on the Historic Cases Review continued through the year and was drawing to a close as we moved into 2018. Many very significant lessons have been learnt through this review. During the year we said goodbye to the Revd Vivienne O'Brien who had served faithfully as Deputy Team Leader for over 20 years, and welcomed Simon Werrett as Specialist Advisor to Ministries. Focusing his time on investigations following complaints made against ministers has resulted in these matters being resolved much faster, which is better for all involved.

The Retired Baptist Ministers' Housing Society (RBHMS)

The Retired Baptist Ministers' Housing Scheme (RBHMS) had sufficient resources to house all 13 (2016: 16) qualifying applicants for assistance in the year to 30 September 2017. As at 30 September 2017, RBHMS owned 251 properties (2015: 246) and manages a further nine on behalf of other charities.

Baptist House

We continue to collaborate with BMS World Mission over the management of Baptist House which we jointly own. The building serves as the key office location for each organisation. During 2017 we simplified the governance by closing the unincorporated Joint Venture and moving all the joint activities to Baptist House Limited. We also completed a significant refurbishment of the premises, replacing ageing mechanical and electrical infrastructure and significantly improving our use of space to free up around 30% of the building for new external lettings to generate income and offset the costs of operating the building.



Baptist Holiday Fellowship

Baptist Holiday Fellowship continued to receive rental from Westholme and paid grants of £12,762 (2016: £14,000) during the year. The trustees have designated a further £19,000 of grant funding for future years.

Baptist Assembly Limited

Baptist Assembly Limited organises The Baptist Assembly, a joint annual event for the Baptist Union of Great Britain and BMS World Mission. The 2017 Assembly took place at the Harrogate Convention Centre on 13 May and over 800 delegates were in attendance representing 330 churches.

During the day, there were a number of plenary celebrations, and an afternoon seminar programme which offered a selection of discussion topics broadly based around the theme Thy Kingdom Come. The event included the commissioning of all ministers who had transferred to the fully accredited list and mission personnel departing for overseas and a keynote address was provided by Ben Francis, Associate Team Leader with oversight of BMS work in Kolkata. The children and youth programmes were led by a team from Skipton Baptist Church who, through drama, art and games challenged the children and young people to be excited about their faith and encouraged them to share their faith with others.

2018 Assembly will take place in Peterborough on 12 May 2018.

Regional Associations

The main work of Baptists Together in supporting churches continues to be through our 13 regional associations. These are separately constituted charities, whose operations are largely funded by grants from the Home Mission Fund, which totalled £1.81m (2016: £1.79m). Each regional association has a small team of Regional Ministers and administrative staff, who support the churches in their area pastorally, advise on mission and practical matters, and organise training events.

The regional associations are also responsible for administering Home Mission Grants to churches and other organisations to support development of Baptist mission and ministry where it would not otherwise be financially viable. This includes pioneering mission, church planting, renewing local churches and mission project grants. In 2017, grants totalled £1.72m (2016: £1.70m).

Here are six association stories which explore how these funds were used.



Arabic Community Church

The small congregation at the Arabic Community Church has a clear vision for Brighton and Hove, and a growing mission in Egypt. The church is led by Pastor Gadalla Tiab and celebrated its 10th anniversary in 2016, launching a new ministry of evangelism through sport in Egypt which reached more than 4,000 people.



In 2017 it welcomed a Syrian family alongside other new believers from Muslim backgrounds, as well as taking part in street evangelism and mission to the local community in June. Home Mission funding enables the church to continue its mission and ministry.



Mexborough Baptist Church

yorkshirebaptist
●●● association

Mexborough Baptist Church continues to be inspirational in the way it has connected with its community and has built on those links. It launched the Memory Café in October 2016 in partnership with the Alzheimer's Society and this continues to go well. It leads a monthly service at a supported housing complex, which the group of residents call church. There are links too with the Scouts, mental health rehabilitation centres and a community café.

Pastor Denise Lancaster says, "It's so exciting being a Home Mission church. We're acutely aware of our lack of funds to grow God's kingdom on Windhill in Mexborough."



"Yet the Great Commission is to the small and large church alike, the same commission whether we're rich or poor, and to the best of our ability we connect with our community, businesses and organisations in the town."

Fleet Meadow Baptist Church



Fleet Meadow Baptist Church in Didcot is encouraging people to encounter God through creation and creativity. After gaining an allotment plot three years ago, it stepped out into a new venture in 2017 called A Space to Create. Taking place on the allotment, "it's a space to create, contemplate and congregate", explains minister Ann Fradgley, "one born out of a passion for art and a recognition that many people will never step foot into a church building".

A SPACE TO

Creates

Are you interested in drawing, painting, photography and other creative arts?

Join us on

15th February for an open art session and 1st March as we take photos for greetings card making.

12-2pm at Fleet Meadow Community Hall, Sandringham Road, OX11 8TP

For further information please email Ann at revannfradgley@gmail.com

"We believe this project is inspired by God to enable those involved to build friendships, share a space to enjoy experimenting with art and to be able to learn from each other along the way," Ann continues.



Plymouth Mission Week

In 2017 a group of young people from Buckinghamshire came to urban, inner city Plymouth for a mission week. Marianne Holt, youth worker at Broadway Baptist Church in Chesham and Michael Shaw, minister of Devonport Baptist Church, a Home Mission-supported church in Plymouth, were the organisers. It involved several trips to a local retirement home, hosting a youth café and 'yarnbombing' the local high street.

"This was such a positive week for us as a church," said Michael. "It made such an impact on us and on the community around us!"



Swansea East Side Food Bank

The Swansea East Side Food Bank made national headlines during the 2017 summer when a spike in demand left stocks at a critically low level. It's based at Mount Zion Baptist Chapel in Bonymaen, a Home Mission-supported church, and chaired by Baptist minister Chris Lewis. Donations flooded in after the appeal was issued, with enough supplies to see the foodbank through the summer.

Following the crisis, Chris aimed to educate supporters with an article for the Baptists Together website entitled 'Four tips for helping foodbanks'.



For more, visit www.baptist.org.uk/foodbanktips

South Wales
Baptist Association



Deaf Church chaplain

In 2017 the Heart of England Baptist Association teamed up with the Diocese of Lichfield to appoint Baptist minister Susan Myatt as Deaf Church chaplain. Susan, who was born profoundly deaf, leads monthly services in Penkridge and oversees pastoral care for Deaf people across the diocese.

The Revd Adrian Argile, HEBA Team Leader, said, "I am delighted that we can partner together to see Susan released to serve the congregation at Penkridge. This partnership expresses our commitment to work together in sharing the love of Jesus, and we pray that it will strengthen relationships and bring much fruit for the Kingdom of God."



HEBA
The Heart of England Baptist Association



Plans for future periods

Here are some highlights from our plans for 2018 and beyond



Prayer: In 2018 we shall express our ongoing commitment to corporate prayer with plans for three national prayer events spread throughout the year. These will also be linked with the global 'Thy Kingdom Come' prayer initiative.

Baptists Together Priorities: During 2018 we shall review our current Baptists Together Priorities and Projects in order to sharpen our focus for the next five years and assist us in aligning resources to our strategic shared priorities.

Pioneering: Our regional associations with our Pioneer Coordinators continue to encourage and develop new forms of pioneering ministry to reach un-churched communities across the UK.



Ignite: The Ministries Team will continue to take the lead in working through and implementing, as appropriate, the recommendations of the Ignite Report, including exploring with the colleges and associations whether we can develop alternative ways for ministers to undertake formation and training.



Safeguarding: We expect to complete our current three year safeguarding plan in 2018 and develop a successor plan for the following three years. We will continue to drive for excellence in safeguarding, including developing further resources and supporting those with specific safeguarding responsibilities in the life of the local Baptist churches.



Communication: During 2018 we will continue developing the Baptists Together website with the aim of improving accessibility and using analytics to inform our renewal of the pattern of monthly e-communications to churches and supporters.

Justice Awareness: We will be piloting 'Just Aware' during 2018, a training resource developed to equip Baptists to explore and enlarge our understanding of, and commitment to, justice as a fundamental gospel value.



Plans for future periods



Subscription review: BU Council in November 2017 commissioned a review of our membership subscriptions model which is expected to report back to BU Council in November 2018 to help us develop a long term sustainable financial model.

Baptist Pension Scheme: Working with the Baptist Pension Scheme Employers' Group and the Trustee of the Baptist Pension Scheme, during 2018 we will be implementing the revised funding plan to address the deficit in the scheme and reduce the burden this scheme places on many of our member churches as employers. Our objective remains to bring the scheme to fully funded within 10 years without increasing church contributions.

Incorporation: Following the decision at Assembly 2017 to pursue incorporation of the Union as a Charitable Incorporated Organisation (CIO), we intend to present to Assembly 2018 for approval a constitution for a CIO named the Baptist Union of Great Britain and the resolutions required to transfer the assets and liabilities of the existing unincorporated Baptist Union of Great Britain into this new entity. If approved by Assembly, this is expected to complete in late 2018 or early 2019.

BUSPS Buyout: The Trustees of Union and the other employers within the BU Staff Pension Scheme have agreed to pursue a process to pay an insurer to take on the responsibility for paying all pensions under the BUSPS. This will remove a significant risk from the balance sheet of the Union and the other scheme employers, including Baptist House Limited and Baptist Holiday Fellowship.

GDPR: The implementation of new data protection regulation in 2018 under GDPR will be a significant task for the Union in 2018 due to the data we hold on ministers, staff and other people in our churches. We will also be supporting our member churches and associations and colleges in complying with GDPR.

Structure, Governance and Management

The Baptist Union of Great Britain (the Union) is an unincorporated association, consisting of the Baptist churches, regional associations of the churches, colleges, other Baptist organisations and a small number of personal members who affirm the Baptist Union Declaration of Principle and are in membership with the Union.

As a membership organisation, the Union holds an annual Assembly at which member churches are represented through their delegates, alongside ministers and members of Council. The Union acts by the Assembly through a Council which meets twice a year and is made up of representatives of regional associations of the churches, representatives of the colleges, office holders and persons co-opted for particular skills. There is also representation from partner bodies. Council helps to set the broad strategic direction of the Union.

The Baptist Union of Great Britain charity is administered and managed by a Trustee Board as Charity Trustees. The Baptist Steering Group (BSG) offers collaborative leadership through coordinating the effective development and implementation of the broad strategy discerned by Council.

The Governing Document of the Baptist Union is a Constitution which may be amended by a Resolution of the Assembly approved by not less than two thirds of the Representative Members, as defined in the Constitution, present and voting. The Constitution was last revised in May 2014 and a copy of the Constitution is available on the Union's website.



The Trustees

The Trustee Board comprises of a Moderator (Chair) appointed by Council, the General Secretary, the Treasurer and up to 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 Assembly and the Honorary Treasurer is appointed annually by the Assembly.

The Trustees, in accordance with law, regulatory requirements and good practice, oversee the Baptist Union charity; in particular, the legal, financial and strategic life of the Union and have regard to the public benefit of the charity. The BSG acts as a key location of organisational leadership and coordination, with a major focus on managing implementation. Membership of BSG is detailed in the Who We Are section of this report.

The BSG reports to Trustees and, with Council, is instrumental in shaping the strategy of the Union, subject to any directions of the Assembly. Trustees oversee its implementation. To help the Trustee Board with governance of the charity, sub-committees have been put in place by the Trustees. A Finance and Audit Committee is in place, formed under Terms of Reference approved by the Trustees in September 2013. The committee also monitors investments held by the Union. The Trustees have also established the Baptist Pension Scheme Employers' Group, which represents the participating employer members of the Pension Scheme and of which the Union is the largest participating member. A Remuneration Committee also reports to the Trustees as detailed below.

Our Trustees are unpaid, except the General Secretary as detailed in note 12 to the consolidated financial statements. Details of Trustees' expenses are also disclosed in note 12 to the consolidated financial statements.



Recruitment and Training of Trustees

Trustees are elected by the Council from a list of suitable nominations provided by the Key Roles Nomination Committee and are usually familiar with many aspects of the Union's work prior to appointment. All Trustees receive an induction into the work of the Union by meeting Senior Staff and being advised of the general nature of their work.

They receive financial statements and other relevant documentation including a copy of the Charity Commission's publication CC3, The Essential Trustee. Formal training on financial matters is provided as appropriate. Following a Governance Review undertaken in 2017 a Handbook for Trustees incorporating the Charity Governance Code has been written and made available to new and serving Trustees.

Memberships and Associations

The Baptist Union of Great Britain is associated with, or a member of, the following organisations and bodies:

- **Baptist World Alliance:** a fellowship of 235 conventions and unions in 122 countries and territories comprising 40 million members in 177,000 churches.
- **European Baptist Federation:** comprising approximately 826,000 Baptists in 54 Unions and Conventions and 5 affiliated churches and networks.
- **Churches Together in England**
- **Churches Together in Britain and Ireland**
- **Fellowship of Baptists in Britain and Ireland**
- **World Council of Churches**
- **Joint Public Issues Team (JPIT):** The Joint Public Issues Team is a venture of the Baptist Union of Great Britain, the Methodist Church, the United Reformed Church and the Church of Scotland. JPIT helps the four churches work together and coordinate responses to issues of justice and inequality.
- **United Board:** The United Navy, Army and Air Force Board of the Baptist Union, United Reformed Church and Congregational Federation is the 'sending church' body for all those engaged in free church military chaplaincy, in all three services, and including commissioned chaplains and TA chaplains.
- **Churches' Legislation Advisory Service**



Corporate structure and main decision making processes

The Baptist Union of Great Britain comprises of over 1,900 Baptist member churches, regional associations and training colleges. The staff of the Union are organised into three specialist teams, Faith and Society, Ministries and Support Services, that each report to a Team Leader, who in turn are line-managed by the General Secretary of the Union. The day-to-day management of the charity is delegated to key management personnel who provide regular reports of their activities to the Baptist Union Trustees and Baptist Steering Group

The key management personnel of the Baptist Union are:

- **The General Secretary** – the Revd Lynn Green
- **Team Leader Faith and Society** – the Revd Stephen Keyworth
- **Team Leader Ministries** – the Revd Andy Hughes
- **People Support and Safeguarding Manager** – Mrs Rachel Stone
- **Team Leader Support Services** - Mr Richard Wilson



Related Organisations and Companies

The Union is involved in a number of related companies and bodies as detailed below:

1. Baptist Union Corporation Limited: This is a registered Charity and a Company Limited by Guarantee, 100% 'owned' by the Baptist Union of Great Britain. The members of the Baptist Union Corporation Ltd, are the persons who also serve as Trustees of the Baptist Union of Great Britain. The organisation's activities include holding as Custodian Trustee, the property and investments of the Union and Baptist churches in trust with the Trust Corporation, together with trust funds in cash. Arrangements are in place to segregate assets held in trust from the company's own assets.

2. The Retired Baptist Ministers' Housing Society: The Society is a charitable Community Benefit Society registered with the Financial Conduct Authority under number 21462R. It is an exempt charity and as such is not yet registered as a charity with the Charity Commission. The members of the Baptist Union of Great Britain Council are the members of the 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 has 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.

3. The Baptist Holiday Fellowship Limited: The Baptist Union Corporation Limited (BUC) is the majority shareholder but the Baptist Union of Great Britain holds one deferred share of the issued share capital and has the right to appoint up to five of the Directors of the charitable company which makes grants available for holidays for Baptist ministers and their dependants. The Baptist Holiday Fellowship Limited accounts are consolidated with the Union's accounts. The BUC is a custodian of the shares for the Baptist Union.

4. Baptist House Limited: The Baptist Union Corporation Ltd is one of the two members of this Company Limited by Guarantee, which operates Baptist House on behalf of The Union and BMS World Mission. The Baptist Union of Great Britain may appoint up to three of the six Directors of the company. The Union's share of the results for the year to 31 October 2017 are included in the consolidated financial statements.

5. The Joint Venture: This was a vehicle to facilitate joint working between the Baptist Union of Great Britain and BMS World Mission. The Joint Venture was wound up at the end of October 2017 and the operations transferred to Baptist House Limited. The Union's share of the results for the year to 31 October 2017 are included in the consolidated financial statements.



Related Organisations and Companies (continued)

The Union is involved in a number of related companies and bodies as detailed below:

6. The Baptist Assembly Limited: 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 2017 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.

7. Baptist Pension Trust Limited: The Directors of this Company Limited by Guarantee are responsible for the management of the company's business which is to administer the Baptist Pension Scheme and manage its investments. The Directors are the only members of the company. The Directors appoint Baptist Union-nominated Directors to the Board of the Company and one-third of the Board are member-nominated Directors as required by law. The company is a separate legal entity from the Baptist Union.

8. The Baptist Times Limited: The Baptist Union Corporation Ltd holds 99% of the issued share capital. The sole Director of the Baptist Times Limited is the Treasurer of Baptist Union of Great Britain. The Baptist Times Limited formerly published the weekly Baptist Times Newspaper and retains an online presence on the Baptist Union website. The company ceased to publish the paper in January 2012 and is now a dormant company.

The associated entities of the Union operate according to their own Governing Documents and, where required, report to the Baptist Union Council or to the Trustee Board. The Trustee Board works in partnership with the relevant officers or Directors of these entities where issues arise that impact upon the wider life of the Union.

Principal Risks and Uncertainties

All significant activities undertaken are subject to a risk review. Major risks are identified and ranked in terms of their potential impact and likelihood. Major risks and the plans and strategies for managing them are:

(i) The impact of the Baptist Pension Scheme on the finances of the Union. This risk includes the direct liabilities of the Union to the scheme and the impact on churches in membership with the Union having a detrimental impact on their ability to financially support the work of the Union. The Pension Employers' Group has been put in place to develop solutions to the challenges of the scheme. Regular monitoring and review is in place with the trustees receiving a report at every Trustee board on the current status of the pension fund and its latest deficit position and progress against the plans to address the deficit.

(ii) Potential mishandling of sexuality and diversity issues, which could cause a fracturing of the Baptist family due to the strongly held views on this issue. The most significant risks in this area relate to the issue of Same Sex Marriage following the Marriage (Same Sex Couples) Act 2013. Within Baptists Together we have consulted widely and as a result, Council issued a statement regarding the registering of church buildings for same sex marriages, and the Ministerial Recognition Committee have reviewed and updated Ministerial Recognition Rules and produced Ministerial Recognition Guidelines on this issue. Trustees continue to monitor any significant developments in this area.

(iii) Safeguarding of children and adults at risk. Focus on this area continues to ensure that the Baptist denomination provides a framework of best-practice for protecting those who attend or come into contact with our churches and other bodies. A three-year plan of work is due to complete in 2018, including a historic safeguarding case review which was completed in 2017. Progress against this plan is tracked and reported to each meeting of the Trustee Board. A safeguarding Trustee has also been nominated from within the Trustee Board to provide a linkage between the board and the staff team dealing with these issues and to provide ongoing oversight of this critical area of work.



BAPTISTS TOGETHER

Grants

Each Baptist church and association is an autonomous charity, and therefore self-financing; the Home Mission Fund provides additional investment into local churches and regional associations to help develop and promote mission innovation and risk taking to achieve our strategic goals. Church 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 regional associations and we are seeing more timely and effective grant funding as a consequence.

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 regional associations and throughout the Union where many people commit significant time to help with the outworking of the Union's objectives. In the Union itself, volunteers provide valuable support mainly through working groups.

Funds Held as Custodian Trustee on Behalf of Others

The Baptist Union Corporation holds financial assets as Custodian Trustee for 75 Baptist churches all of which have the same objects as the company for the advancement of the Christian faith and its practice especially by the means of and in accordance with the principles of the Baptist denomination.

Type of Assets Held	£'000	Organisations
Cash Deposits	417	14
Income Units	1,113	22
National Savings Income Bonds	158	13
UK Equities	781	26
Total	2,469	75

The company acts solely as an Agent and carries no decision-making capacity.

The Baptist Union Corporation acts as property trustees for 1,346 churches and charity organisations. Arrangements are made for the safe custody of deeds and documents, with each set stored in a labelled packet, and included in an index system. For all financial accounts a separate account is kept for each beneficial owner and a spreadsheet is maintained of the beneficial owner of each account. A three year project to digitalise key church property deeds is currently underway.

The names of the churches and other charities for whom the Company acts as a Custodian Trustee are available at:

www.baptist.org.uk/custodian-trustee-organisations

The organisations are all Baptist organisations and therefore have objects that are compatible with the charitable objects of the Company.

Key management personnel remuneration

Day-to-day management of the Union's business is delegated to a group of employed staff and appointed ministers who operate within the frameworks set by the Trustees; Senior Staff are detailed in the Who We Are section of this report.

All staff and appointed ministers of the charity are employed by the Baptist Union of Great Britain and the arrangements for setting the pay and remuneration are the responsibility of the Trustee Board. A Remuneration Committee advises and makes recommendations to the Trustees. In line with the Pay and Reward Policy Statement approved by the Trustees, remuneration is benchmarked against information relevant to the sector and affordability to the Union.

The aggregate amount paid to key management personnel during the year was £169,023 (2016: £144,942).

Financial Review

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Approach to fundraising

The Baptist Union of Great Britain funds the majority of its work through funds raised from its members, who are churches, regional associations and colleges. The Home Mission Appeal through which funds are collected from member churches is organised by our partner regional associations. We also request a subscription from each member church, association and college, which is requested annually by writing to each organisation's treasurer. We also have a small number of personal members, from whom we also request a subscription on an annual basis.

Our main avenue for raising funds from the general public is through legacies. Starting in January 2018, we are offering a will writing scheme in partnership with the National Free Wills Network, which is run by Capacity Marketing, a Division of Ashton Maund Associates. Capacity Marketing is a member of the Institute of Fundraising, which requires all members to sign up to the Code of Fundraising Practice. This scheme is promoted via our member churches and referrals are passed to National Free Wills Network for referral on to their member solicitors, who are regulated by the Solicitors Regulation Authority. Solicitors are required to check that a client is not under duress when making a will, which provides protection from undue pressure. Capacity Marketing only send at most two standard form letters when contacting individuals referred to the network and no telephone calls are made to potential donors.

We also accept direct donations from the public via our website. There are links provided to make a donation from various pages of our website. We do not directly promote the online donation facility through any direct marketing. We do promote our work to our member churches by letter and email to their church officers and by email to subscribers to our mailing lists.

Fundraising complaints are handled through our standard complaints procedure. No complaints relating to fundraising were received in 2017. Complaints are monitored and reviewed for any concerns in relation to fundraising practices, which would then be reported to the Trustee board.



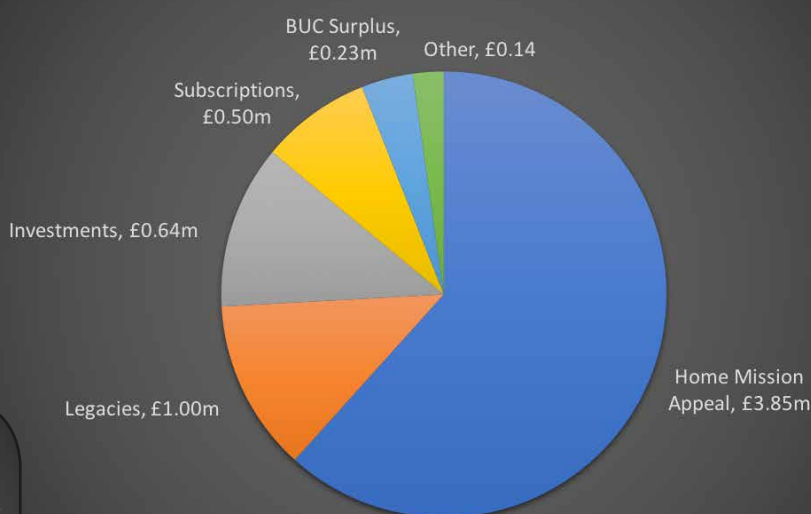


Charity General Fund Review

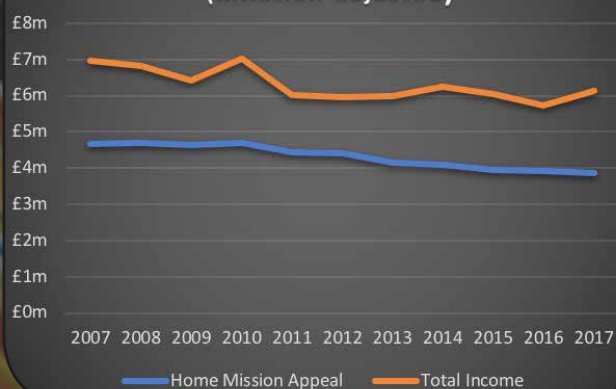
Overall the General Fund of the Charity made an operating surplus of £0.33m, compared to a deficit of £0.34m in the prior year (excluding receipts from Ultimate Trusts¹ and gains and losses on Investments and Asset sales), an improvement of £0.67m. The key difference was an increase in legacy income of £0.81m.

The following charts show the General Fund income of the Union in 2017 and the long term income trends over the last 10 years.

Charity General Fund Income 2017



Long Term General fund Income (inflation adjusted)



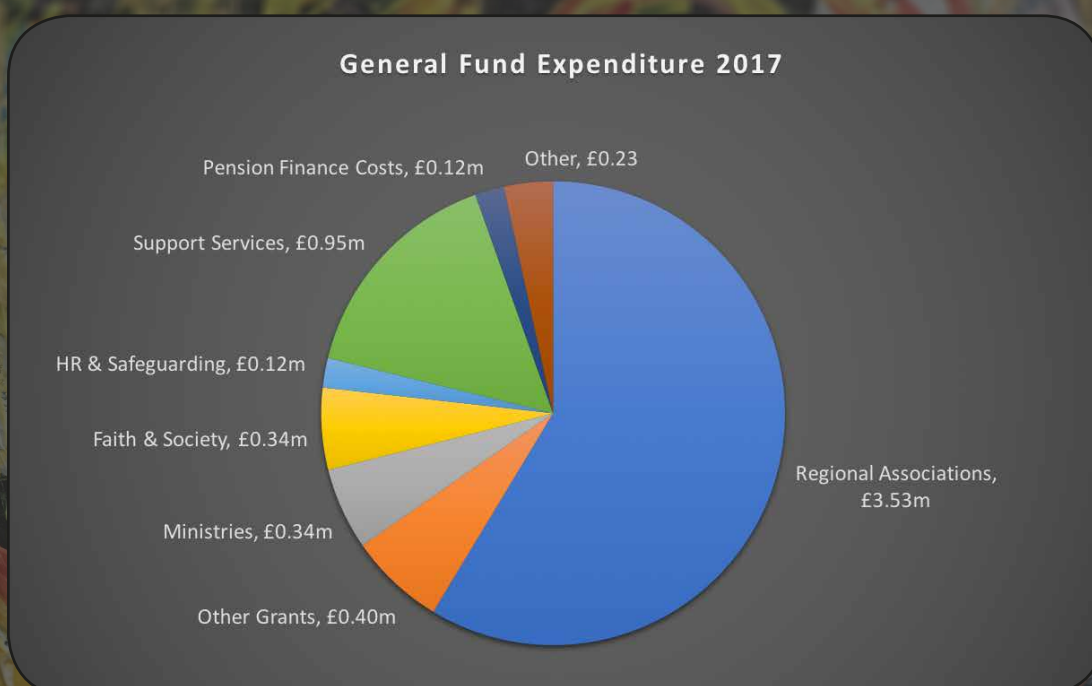
Our largest source of income, the Home Mission Appeal continues to be in long term decline when adjusted for inflation, falling almost 20% in the last 10 years. This trend continued in 2017 with an appeal total of £3.85m (2016: £3.81m) showing a 1% increase on the previous year, but not keeping pace with CPI inflation of 3%. We continue to seek other sources of income to offset this decline. In 2017 we had a particularly strong year for legacies, with £1.00m received (2016: £0.19m). Investment income increased to £0.64m (2016: £0.54m), following the transfer of investments from BUC and the former Newington Court and Student Training designated funds into the General Fund.

Our overall General Fund income for the Union charity increased to £6.36m (2016: £5.54m), an increase of 13%. Excluding legacies, income was 5.5% up year-on-year at £5.36m (2016: £5.08m)

¹ Ultimate Trust receipts are funds received where the Union is the beneficiary of the trust deed of a closing church. In 2017, all such receipts have been designated directly to the Pension Reserve fund and not accounted for as income in the General Fund.

Charity General Fund Review (continued)

The following chart shows how the Union's expenditure from its General Fund was split in 2017¹.



Year-on-year expenditure increased to £6.03m (2016: £5.58m), an increase of £0.45m, or 7.9%. The most significant factors were the absorbing of the expenditure from the former Student Training and Newington Court Designated Funds within the General Fund, a total of £0.27m in 2017, and the recognition of the £0.12m of interest costs on the Union's pension liabilities (not previously recognised as a separate cost). Excluding these two items, expenditure increased by £0.06m or 0.8%. Funding for regional associations was £3.53m (2016: £3.48m), whilst costs expended by the specialist teams were £2.37m (2016: 2.10m), with the increase of £0.27m accounted for by the additional £0.27m of costs taken on from the Student Training and Newington Court Designated Funds.

¹ Please note that the costs in the chart above have been allocated on a different basis to that used in notes 7 and 8 to the consolidated accounts



Designated and Restricted Reserves

The Board of Baptist Union Corporation carried out a review of its Capital and Liquidity in 2017, which resulted in a return of Capital to the Union of £5.17m at the end of March 2017 in the form of the entire BUC investment portfolio and £0.80m in cash. The Union trustees subsequently agreed to transfer £4.00m of these funds to the Pension Reserve with the remainder being returned to unrestricted funds, leaving a balance of £1.46m in the Loan Fund Capital designated fund. The level of Capital retained by Baptist Union Corporation remains prudent relative to its loan book.

The Union continued to build up funds within the Pension Reserve funds, reaching a total of £11.94m by the year end (£11.52m in designated funds and £0.43m in restricted funds), compared with £6.37m at the end of 2016. This was through a combination of income from ultimate trusts (£0.83m), investment income (£0.22m), investment growth (£0.46m), donations (£0.27m) and a transfer of £4.00m from unrestricted funds (which was funded by the return of capital from Baptist Union Corporation).

The Pastoral Fund, Deaconesses' Benevolent Fund and Retired Ministers' Benevolent Fund continued to make grants for pastoral support of members of the Baptist family totalling £0.02m (2016: £0.02m). Our strategy is to consolidate these funds over time into the Pastoral Fund as this allows greater flexibility in supporting needs that arise. Investment income and growth meant that the Pastoral Fund grew from £0.82m to £0.92m over the course of the year.

In 2017 a further review was carried out of the Baptist Strategy Building Scheme, which is a closed scheme which made interest free loans to churches for building works. Many loans have no active repayment plan and repayment plans are only put in place when it is felt that the church is able to afford it. As a result of this review, a provision of £0.13m was taken based on a new policy of fully providing for any loan without an active repayment plan. This resulted in a reduction in the current value of this designated fund to £0.07m. There were 26 loans outstanding at year end with a gross value of £1.10m (2016: £1.12m).

The refurbishment of Baptist House was completed in 2017, and the designated fund for this purpose was therefore closed. £0.56m of assets were transferred to the Baptist House Reserve and the remaining balance of the fund of £0.22m was returned to the unrestricted fund. At the end of October 2017, the Joint Venture with BMS World Mission to run our shared offices at Baptist House was wound down and the operational activities transferred to Baptist House Limited. The property itself was transferred to the balance sheet of the Union and recognised on the Balance Sheet at a value of £2.04m prior to the capital additions in the refurbishment.

The Ministry Support Fund was wound down in the year with the balance of £0.1m returned to the unrestricted reserves as the fund was deemed to be no longer needed by the trustees. The One-Off Projects Reserve and the Ministry Review Fund continued to expend resources in line with their purposes.

Results of subsidiary entities

RBMS recorded a reduced operating surplus for the year to 30 September 2017 of £0.39m (2016: £1.03m), which fell due to a decline in legacy income from £0.88m in 2016 to £0.20m in 2017. A gain of £0.76m was realised on sale of properties, giving a total surplus for the year of £1.15m. The Surplus was used to purchase additional properties to house retiring ministers.

Baptist Assembly Limited recorded a loss for the year to 31 August 2017 of £0.03m (2016: £0.01m) as the cost of running the Baptist Assembly exceeded the income received. The Union holds a 50% share in Baptist Assembly Limited.

Baptist Holiday Fellowship Limited recorded an operating surplus for the year to 30 November 2017 of £0.02m (2016: £0.02m) as investment income exceeded costs and grants made. The charity reclassified its property as an investment property in the year and made an unrealised gain of £0.72m based on a yield-based valuation, resulting in a total increase in funds in the year of £0.74m (2016: decrease of £0.004m).

Baptist House Limited recorded a loss for the year to 31 October 2017 of £0.03m (2016: gain of £0.01m), whilst Baptist House Joint Venture (JV) recorded a profit for the year to 31 October 2017 of £0.06m (2016: gain of 0.09m). As at 31st October the Joint Venture was wound up and the operations of the JV transferred to Baptist House Limited. The Union's share of the freehold of Baptist House was transferred to the balance sheet of the Union.

The Baptist Union Corporation made an underlying surplus of £0.23m (2016: £0.56m), which in 2017 was transferred to the Union in its entirety by way of a gift (2016: gift to the Union of £0.12m).





Pension Liabilities

The Baptist Union of Great Britain is a participating employer in two defined benefit, multi-employer pension schemes, the Baptist Pension Scheme (BPS) and the Baptist Union Staff Pension Scheme (BUSPS). Both are recognised in our accounts as liabilities based on a discounted cashflow of the contributions due under the agreed recovery plan in force at 31 December 2017, amounting to £0.64m for BPS and £3.72m for BUSPS (charity only).

For both schemes we have been provided with estimated actuarial shares of the deficit in the scheme on a buy-out basis, reflecting the estimated cost of securing the scheme benefits with an insurance company, being £2.2m for BPS and £3.5m for BUSPS as at 31 December 2017.

In April 2018, BPS completed a triennial valuation of the scheme as at 31 December 2016. This showed a deficit of assets compared to liabilities of £93m. The associated schedule of contributions and funding plan was developed in consultation between the Pension Trustee and the Pension Employers' Group and approved by the Union. The Union is due to make additional contributions to the scheme of £30m in 2018 and a further £3.5m by the end of 2023. This is in addition to continuing the current employer contribution plan until the end of 2028. These contributions will be drawn from the Union's Pension Reserve plus a loan of up to £20m from RBMHS. RBMHS will in turn secure the funds to loan to the Union from a loan from Baptist Union Corporation, secured against RBMHS's property assets. This approach leverages the balance sheet strength of RBMHS whilst avoiding any impact on its day-to-day operations and finances

In March 2018, BUSPS completed the triennial valuation of the scheme as at 1 January 2017. This showed a deficit of assets compared to liabilities of £5.9m. In line with the associated recovery plan and Schedule of Contributions the employers continued the previous monthly contribution plan to January 2018 and then made a one off payment of £2.73m from employers in February 2018 (of which £2.06m was from the Union). The final payment in the Schedule of Contributions is for £2.6m (of which £1.96m is from the Union) in December 2021.

The employers in collaboration with the scheme Trustees are progressing a buyout of BUSPS during 2018. We are approaching insurance companies with a view to paying them to take on the responsibility for paying the scheme benefits. We anticipate completing a transaction with an insurance company in the second half of 2018 and subsequently winding up the scheme in the first half of 2019. We currently anticipate that the buyout can be completed with total contributions from the Union in line with the provision in the balance sheet at 31 December 2017.



Investment Performance

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 Trustees have delegated the detailed monitoring of the portfolio to the Finance and 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. In summary, these specify that we do not take direct investment in companies involved in tobacco production, distilling of alcoholic beverages, gambling, pornography, armaments and high-interest lending. Companies are screened to ensure that no more than 10% of revenue comes from these sources and pooled funds are screened prior to acquisition and half yearly to ensure that no more than 5% of the assets in the fund are investments in companies that would fail to meet the direct investment criteria. The policy also has a positive screening policy which means investing in companies or sectors which reflect Christian values in areas like environmental protection, supporting sustainable development, health, education, employment, human rights, good corporate social responsibility, good governance, financial transparency, anti-corruption controls, safe working practices, natural justice and sensitivity towards the communities in which their business operates.

Within the investment strategy, Schrodgers Plc have been appointed as investment managers with discretion over investments. Details of the investments are set out in note 14 to the financial statements.

Investment Performance (continued)

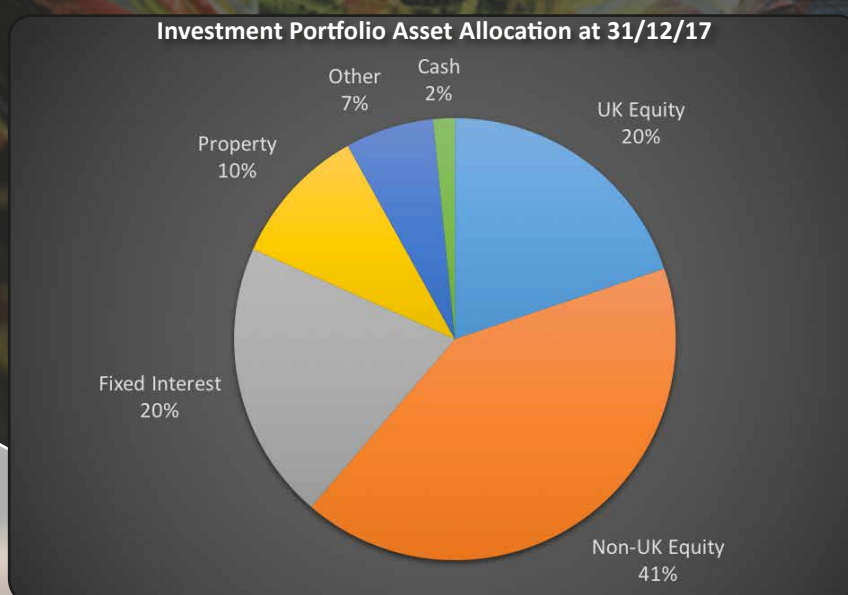
The Finance and Audit Committee reviewed and simplified the management of investments during the year, consolidating from seven to two investment portfolios, being a general portfolio and an endowment portfolio on 1 October 2017. This incorporated the investment portfolio of Baptist Union Corporation which was transferred to the Baptist Union of Great Britain on 31 March 2017. Both portfolios target performance of CPI+4% per annum net of fees over the long term. The general portfolio has an income target of a 3.5% yield whilst the endowment portfolio targets a 3.0% yield. The Finance and Audit Committee has put in place composite benchmarks for Schroders as follows:

	General Portfolio	Endowment Portfolio
FTSE All Share Index	30%	30%
MSCI World ex UK Index	30%	30%
FTSE Actuaries British Government All Stocks Index	10%	5%
IBOXX Sterling (£) Non-Gilt All Maturities index	20%	20%
IPD property (UK) index	10%	10%
LIBOR	-	5%

The Trustees are pleased to note that performance exceeded the benchmarks set in the year as shown in the following table:

	Performance	Composite Benchmark	Performance Vs Benchmark	Long-term target (CPI+4%)	Performance Vs. Long-term target
General Portfolio	10.9%	9.2% ²	+1.9%	6.4%	+4.5%
Endowment Portfolio	11.2%	9.6%	+1.6%	6.4%	+4.8%
Combined	10.9%	9.2%	+1.8%	6.4%	+4.5%

Regular meetings are held with the Investment Manager to review and challenge performance. The Trustees continue to have confidence in the management of our investments. Actual consolidated Asset Allocation as at 31 December 2017 is shown below



² The benchmark for the General Portfolio is based on the weighted average of the benchmarks of the portfolios that were consolidated into the General Portfolio for 9 months followed by the new general portfolio benchmarks for the final three months of the year.

Policy on Reserves

During the year, the Trustees reviewed the reserves policy for the Charity. The policy is to ensure that the Union has sufficient free and available funds to meet at least six months of annual budgeted expenditure, which equates to £2.72m.

Cognisant of the Charities SORP, the Union holds a number of unrestricted (including Designated) income funds 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 available and details of each fund can be found in Note 21.

Baptist Union of Great Britain – Funds of Parent Charity	£m
Endowment Funds	1.08
Restricted Funds	0.98
Designated	22.75
Unrestricted	6.43
Total Charity Funds	31.24

Of the total charity funds of £31.24m, the unrestricted funds including designated and unrestricted funds total £29.18m which represents the net unrestricted and designated funds at the disposal of the Union Trustees.

The Trustees are satisfied the reserves policy accords to the requirements of the Charities SORP and subject to the deficit share of the Baptist Pension Scheme demonstrates the charity's sustainability and capacity to manage unforeseen financial difficulties. During 2018 the Trustees will keep the policy under review.

There are three sub divisions of these reserves:

- Programme related – where reserves have been set aside to provide for future anticipated expenditure
- Fixed Assets – where properties and other fixed assets have been acquired to enable the Union's ongoing activities
- Free funds available.

Reconciliation of Unrestricted Funds (including Designated Funds)

	Free Funds	Fixed Assets	Programme Related Investments	Total Funds
	£m	£m	£m	£m
General Funds	6.33	0.10	-	6.43
Fixed Asset Reserve	-	5.53	-	5.53
Baptist House JV Investment	-	2.76	0.30	3.06
Baptist Strategy Building Scheme	-	-	0.07	0.07
Pensions Reserve	-	-	11.52	11.52
One-off Projects Reserve	-	-	0.10	0.10
Pastoral Funds	-	-	0.92	0.92
Ministry Review	-	-	0.08	0.08
Loan Fund Capital (BUC)	-	-	1.48	1.48
Sub Total	6.33	8.39	14.47	29.18
Less Reserves Needed	(2.72)			
Free Funds Available	3.61			

Overall, we are currently showing a surplus against the reserves policy of £3.61m. The Trustees are considering how to put the surplus reserves to work for the objectives of the Union, particularly considering the commitments made to the Baptist Pension Scheme since the year end.

Who We Are

The Baptist Union of Great Britain, Registered Charity Number 1125912

Registered and Principal Office

Baptist House, 129 Broadway, Didcot, Oxfordshire OX11 8RT

TRUSTEES

The Revd Rich Webb (Moderator)
 The Revd Barbara Carpenter
 Mrs Christina Carter (from 5 February 2017)
 The Revd Andrew Cowley (from 29 January 2017)
 The Revd Graham Ensor (to 31 August 2017)
 The Revd Phil Jump (from 27 November 2017)
 Mrs Marion Fiddes
 The Revd Lynn Green (General Secretary)
 Mrs Linda Hopkins (to 28 February 2018)
 The Revd Joe Kapolyo
 Mr John Levick (Treasurer)

BAPTIST STEERING GROUP

The Revd Adrian Argile
 The Revd Phil Barnard
 The Revd Nigel Coles
 The Revd Stuart Davison
 The Revd David Mayne (from January 2018)
 The Revd Dr Rob Ellis
 The Revd Graham Ensor (from January 2018)
 Mrs Marion Fiddes
 The Revd Lynn Green
 The Revd Andy Hughes
 The Revd Stephen Keyworth
 The Revd Beth Powney (from July 2017)
 Mr Richard Wilson
 Mr Richard Nicholls (to April 2017)
 The Revd Richard Lewis (to June 2017)
 The Revd Dr John Claydon (to December 2017)

SENIOR STAFF

The Revd Lynn Green (General Secretary)
 The Revd Andy Hughes (Team Leader Ministries)
 The Revd Stephen Keyworth (Team Leader Faith and Society)
 Mrs Rachel Stone (People Support & Safeguarding Manager)
 Mr Richard Wilson (Team Leader Support Services)

CUSTODIAN TRUSTEES

The Baptist Union Corporation Limited
 Registered Charity Number 249635
 Company Registration Number 32743
 Registered office: Baptist House, 129 Broadway, Didcot,
 Oxfordshire OX11 8RT

BANKERS

HSBC, 186 Broadway, Didcot, Oxfordshire OX11 8RP

AUDITORS

Kingston Smith LLP, Devonshire House, 60 Goswell Road,
 London, EC1M 7AD

SOLICITORS

Anthony Collins Solicitors LLP, 134 Edmund Street,
 Birmingham, B3 2ES

SURVEYORS

Rapleys LLP, 51 Great Marlborough Street, London W1F 7JT

INVESTMENT MANAGERS

Schroders Investment Management Limited, 12 Moorgate,
 London EC2R 6DA

TRUSTEES' RESPONSIBILITIES

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

The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP 2015 (FRS 102);
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping accounting records that 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. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- There is no relevant audit information of which the Charity's auditor is unaware;
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

On behalf of the board



The Revd Rich Webb
Moderator

Independent Auditor's Report

Opinion

We have audited the financial statements of the Baptist Union of Great Britain for the year ended 31 December 2017 which comprise the Consolidated and Parent Statements of Financial Activities, the Consolidated and Parent Balance Sheets, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group and parent charity's affairs as at 31 December 2017, and of the group and parent charity's incoming resources and application of resources, 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.

Basis for opinion

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

This report is made solely to the charity's trustees, as a body, in accordance with Chapter 3 of Part 8 of the Charities Act 2011. 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charity and charity's trustees as a body, for our audit work, for this report, or for the opinion we have formed.

Conclusions relating to going concern

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

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

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- the parent charity has not kept adequate accounting records; or
- the parent charity's financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we required for our audit.

Independent Auditor's Report

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement set out on page 45, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and parent charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or parent charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Kingston Smith LLP

4 May 2018

Devonshire House
60 Goswell Road
London
EC1M 7AD

BAPTIST UNION OF GREAT BRITAIN

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 DECEMBER 2017

	Notes	Unrestricted Funds £'000	Designated Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2017 £'000	Restated Total 2016 £'000
Income							
Donations and legacies	2	5,345	-	498	-	5,843	5,543
Charitable Activities	3	738	795	601	-	2,134	1,922
Investment income	4	804	261	2	31	1,098	888
Other income	5	57	-	-	-	57	6
Less share of gross income resources from Joint Venture		(12)	-	-	-	(12)	(29)
Total Income		6,932	1,056	1,101	31	9,120	8,330
Expenditure							
Raising funds	6	81	37	-	6	124	124
Charitable activities	7	6,588	415	448	-	7,451	7,285
Other expenditure	9	-	-	-	-	-	-
Total Expenditure	8	6,669	452	448	6	7,575	7,409
Net income before gains/ (losses) on investments and Fixed Asset Sales							
		263	604	653	25	1,545	921
Net interest in the results of the year for the joint venture		(12)	-	-	-	(12)	(176)
Net gains/(losses) on investments	14	1,520	525	1	73	2,119	1,941
Net gains/(losses) on sale of fixed assets		202	-	994	-	1,196	1,189
Loss on closure of Joint Arrangement	14	(545)	-	-	-	(545)	-
Net income before transfers		1,428	1,129	1,648	98	4,303	3,875
Transfers between funds		(4,706)	4,737	-	(31)	-	-
Net income before other recognised losses		(3,278)	5,866	1,648	67	4,303	3,875
Actuarial gains/(losses) on defined benefit pension schemes	18	(8)	-	-	-	(8)	221
Net movement in funds		(3,286)	5,866	1,648	67	4,295	4,096
RECONCILIATION OF FUNDS							
Total funds brought forward	22	15,012	15,211	29,674	1,010	60,907	56,811
Total funds Carried forward		11,726	21,077	31,322	1,077	65,202	60,907

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 53 to 72 form an integral part of these financial statement

BAPTIST UNION OF GREAT BRITAIN

STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED 31 DECEMBER 2017

		Unrestricted Funds	Designated Funds	Restricted Funds	Endowment Funds	Total 2017	Restated Total 2016
	Notes	£'000	£'000	£'000	£'000	£'000	£'000
Income							
Donations and legacies	2	5,579	-	269	-	5,848	4,756
Charitable Activities	3	120	795	35	-	950	418
Investment income	4	637	412	-	31	1,080	905
Other income	5	25	-	-	-	25	6
Total Income		6,361	1,207	304	31	7,903	6,085
Expenditure							
Raising funds	6	66	37	-	6	109	96
Charitable activities	7	5,961	415	38	-	6,414	6,326
Other expenditure	9	-	-	-	-	-	-
Total Expenditure	8	6,027	452	38	6	6,523	6,422
Net income before gains/ (losses) on investments and Fixed Asset Sales							
		334	755	266	25	1,380	(337)
Net gains/(losses) on investments	14	670	648	-	73	1,391	1,782
Net gains/(losses) on sale of fixed assets		200	-	-	-	200	189
Net income before transfers		1,204	1,403	266	98	2,971	1,634
Transfers between funds		544	(513)	-	(31)	-	-
Net income before other recognised losses		1,748	890	266	67	2,971	1,634
Actuarial gains/(losses) on defined benefit pension schemes	18	(18)	-	-	-	(18)	463
Net movement in funds		1,730	890	266	67	2,953	2,097
RECONCILIATION OF FUNDS							
Total funds brought forward	22	4,714	21,845	207	1,010	27,776	25,679
Total funds Carried forward		6,444	22,735	473	1,077	30,729	27,776

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 53 to 72 form an integral part of these financial statement

BAPTIST UNION OF GREAT BRITAIN

CONSOLIDATED BALANCE SHEET AT 31 DECEMBER 2017

	Notes	2017 £'000	2017 £'000	Restated 2016 £'000	Restated 2016 £'000
Fixed assets					
Tangible assets	13		41,771		39,081
Investments	14		20,131		18,667
			61,902		57,748
Current assets					
Debtors	15	16,011		16,266	
Cash and Bank	16	37,689		24,859	
		53,700		41,125	
Current liabilities					
Creditors:					
Amounts falling due within one year	17	(45,914)		(32,983)	
Net current assets			7,786		8,142
Total assets less current liabilities			79,688		65,890
Provision for liabilities					
Defined Benefit pension scheme liability	18		(4,486)		(4,983)
Net assets			65,202		60,907
THE FUNDS OF THE CHARITY					
Endowment funds	19		1,077		1,010
Restricted income funds	20		31,322		29,674
Designated funds	21		21,077		15,211
Unrestricted income funds			11,726		15,012
Total charity funds			65,202		60,907

The financial statements were approved by the Trustees on 3 May 2018, and signed on their behalf by



The Revd Rich Webb - Moderator



John Levick – Treasurer

The notes on pages 53 to 72 form an integral part of these financial statements.

BAPTIST UNION OF GREAT BRITAIN

BALANCE SHEET AT 31 DECEMBER 2017

	Notes	2017 £'000	2017 £'000	Restated 2016 £'000	Restated 2016 £'000
Fixed assets					
Tangible assets	13		8,390		4,596
Investments	14		20,938		23,480
			29,328		28,076
Current assets					
Debtors	15	2,156		1,717	
Cash and Bank	16	4,496		3,117	
		6,652		4,834	
Current liabilities					
Creditors:					
Amounts falling due within one year	17	(894)		(301)	
Net current assets			5,758		4,533
Total assets less current liabilities			35,595		32,609
Provision for liabilities					
Defined Benefit pension scheme liability	18		(4,357)		(4,833)
Net assets			30,729		27,776
THE FUNDS OF THE CHARITY					
Endowment funds	19		1,077		1,010
Restricted income funds	20		473		207
Designated funds	21		22,735		21,845
Unrestricted income funds			6,444		4,714
Total charity funds			30,729		27,776

The financial statements were approved by the Trustees on 3 May 2018, and signed on their behalf by



The Revd Rich Webb - Moderator



John Levick – Treasurer

The notes on pages 53 to 72 form an integral part of these financial statements

BAPTIST UNION OF GREAT BRITAIN

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Notes	2017 £'000	2016 £'000
Net income for the reporting period		4,303	3,875
Adjustments for:			
Net gains on investments		(2,119)	(1,941)
Loss on closure of joint venture		545	-
Net Value of assets transferred to Baptist House Limited		58	-
Net interest in result of Baptist House Limited		13	176
Net income before gains on investment		2,800	2,110
Adjustments for:			
Depreciation		124	80
Dividends and interest from investments		(1,098)	(888)
Net gains on sale of fixed assets		(1,196)	(1,189)
Decrease in stocks		-	10
(Increase)/Decrease in debtors		255	(843)
Increase in creditors and provisions		12,438	2,473
Net cash provided by operating activities		13,323	1,753
Cash flows from investing activities			
Dividends and interest from investments		1,098	888
Proceeds from sale of property		3,093	2,628
Purchase of tangible fixed assets		(5,446)	(4,563)
Proceeds from sales of investments		5,593	3,984
Purchase of investments		(5,615)	(3,847)
Cash invested in Baptist House Limited		(300)	
Cash withdrawn from investment managers		1,084	
Net cash used in investing activities		(493)	(910)
Changes in cash and cash equivalents in the year		12,830	843
Cash and cash equivalents brought forward		24,859	24,016
Cash and cash equivalents carried forward	16	37,689	24,859

The notes on pages 53 to 72 form an integral part of these financial statements.

BAPTIST UNION OF GREAT BRITAIN

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2017

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 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, these entities are consolidated as subsidiaries on a line by line basis in accordance with FRS102 – section 9 and the Charities SORP (FRS102). The charity's interests in a joint venture are accounted for using the equity method in accordance with FRS102. The joint arrangement is accounted for by including the charity's share of the income, expenditure, assets and liabilities relating to the activity of the joint arrangement. Details of the entities and interests are given in note 14 to the financial statements. Where an entity's reporting period end differs from that of the parent, the consolidated financial statements include the financial statements of the subsidiary as of its last reporting date before the parent's reporting date, as adjusted for the effects of significant transactions or events that occur between the date of those financial statements and the date of the consolidated financial statements. Details on an entity by entity basis are given in note 14.

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

The Trustees consider that there are sufficient reserves held at year end to manage any foreseeable downturn in the economy in the UK. The Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. The charity has therefore continued to adopt the going concern basis in preparing its financial statements.

(d) 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 where the income may be used but where the capital is not expendable as set out in note 19.

(e) 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.
- Funds received under Ultimate Trusts are accounted for when received.
- Interest receivable from loans is accounted for 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.
- Investment income is accounted for when received or on an accruals basis where the amount can be measured reliably and entitlement is certain.

(f) 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 represent 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.

(g) Tangible fixed assets

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

Land	Not depreciated
Non-residential Freehold Buildings	2%
Furniture and fittings	10% and 20%
Computer equipment	25% and 33%

Freehold residential buildings are maintained during the period of ownership such that the overall difference between residual values and carrying value are not material and as a result no depreciation is provided. Depreciation is provided on long leasehold properties over the remaining life of the lease. Annual reviews are undertaken by the Trustees at each balance sheet date to assess whether there is an indication of impairment. 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

BAPTIST UNION OF GREAT BRITAIN

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2017

(h) 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.

(i) Investment Property

Investment property is property deemed to be held for financial gain and is carried as the Trustees best estimate of valuation. The Trustees review the valuation annually and changes in value are reported in the Statement of Financial Activities.

(h) 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.

(i) Cash at bank and in hand

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

(j) 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.

(k) 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.

(l) Employee benefits

The charity operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the charity pays fixed contributions into a separate 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. Amounts not paid are shown in accruals in the balance sheet. The assets of the plan are held separately from the charity in independently administered fund. 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 a plan as a defined benefit plan, it accounts for the plan as a defined contribution plan. Where the plan is in deficit and where the charity has agreed, with the plan, to participate in a deficit funding arrangement, the charity 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. The unwinding of the discount is

recognised as a finance cost. A liability for the agreed pension scheme deficit plan of the Baptist Union Staff Pension Scheme has been included, in accordance with the Schedule of Contributions dated 31 March 2015. A liability for the agreed pension scheme deficit plan of the Baptist Pension Scheme has been included, in accordance with the Schedule of Contributions dated 4 April 2015.

(m) 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.

(n) Judgement and Key Sources of Estimations Uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

- (a) Judgements in applying the entity's accounting policies
 - (i) Multi-employer defined benefit pension schemes: Certain employees participate in multi-employer defined benefit pension schemes with other organisations. In the judgement of the Trustees, the charity does not have sufficient information on the plan assets and liabilities to be able to reliably account for its share of the defined benefit obligation and plan assets. Therefore, the schemes are accounted for as defined contribution schemes: see note 25 for further details.
 - (ii) Accounting estimated and assumptions
 - (i) Multi-employer defined benefit pension scheme: The charity has an obligation to pay a deficit funding arrangement in respect of two multi-employer defined benefit pension schemes (Baptist Pension Scheme and Baptist Union Staff Pension Scheme). The present value of the obligation depends on a number of factors including the RPI rate and the discount rate on corporate bonds. Management estimates these factors in determining the new pension obligation in the balance sheet.
 - (ii) Useful economic lives of tangible assets: The annual depreciation charge of tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 13 for the carrying amount of the fixed assets, and note 1(g) for the useful economic lives for each class of assets.
 - (iii) Bad Debt provisions: The recoverability of loans is assessed annually, and at the balance sheet date provisions for doubtful debts are provided based on prior year experiences.

BAPTIST UNION OF GREAT BRITAIN

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2017

2. DONATIONS AND LEGACIES

Consolidated	Unrestricted Funds £'000	Designated Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2017 £'000	Total 2016 £'000
Donations	3,849	-	296	-	4,145	3,836
Legacies	997	-	202	-	1,199	1,097
Subscriptions	499	-	-	-	499	452
Gifts from other Baptist Constituents	(0)	-	-	-	(0)	158
Total	5,345	-	498	-	5,843	5,543

In 2016, £1,081k of the donations and legacies income was attributable to restricted funds and the remaining £4,462k was attributable to unrestricted funds.

Charity	Unrestricted Funds £'000	Designated Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2017 £'000	Total 2016 £'000
Donations	3,849	-	269	-	4,118	3,811
Legacies	997	-	-	-	997	214
Subscriptions	499	-	-	-	499	453
Gifts from other Baptist Constituents	234	-	-	-	234	278
Total	5,579	-	269	-	5,848	4,756

In 2016, £179k of the charitable activities income was attributable to restricted funds and the remaining £4,577k was attributable to unrestricted funds.

3. CHARITABLE ACTIVITIES

Consolidated	Unrestricted Funds £'000	Designated Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2017 £'000	Total 2016 £'000
Publication sales	9	-	-	-	9	14
Rent	122	-	566	-	688	947
Funds received under Ultimate Trusts	-	795	35	-	830	315
Interest receivable from loans	507	-	-	-	507	511
Expenses receivable on trusts	71	-	-	-	71	103
Fee for operating gift aid scheme	6	-	-	-	6	7
Accommodation fees	3	-	-	-	3	11
Trading Income	20	-	-	-	20	13
Bad debt recovered - BSBS	-	-	-	-	-	1
Total	738	795	601	-	2,134	1,922

In 2016, £547k of the charitable activities income was attributable to restricted funds, £1k was attributable to designated funds, and the remaining £1,374k was attributable to unrestricted funds.

BAPTIST UNION OF GREAT BRITAIN

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2017

3. CHARITABLE ACTIVITIES (continued)

Charity	Unrestricted Funds £'000	Designated Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2017 £'000	Total 2016 £'000
Publication sales	9	-	-	-	9	14
Rent	77	-	-	-	77	84
Funds received under Ultimate Trusts	-	795	35	-	830	315
Trading Income	34	-	-	-	34	5
Total	120	795	35	-	950	418

Monies are received by the Charity as the beneficiary of Ultimate Trust provisions under the Trust Deeds of closing churches and other organisations. The Trustees of the Charity have agreed to Designate such receipts to the Pension Reserve Fund.

In 2016, £1k was attributable to designated funds, and the remaining £417k was attributable to unrestricted funds.

4. INVESTMENT INCOME

Consolidated	Total 2017 £'000	Total 2016 £'000
<u>Quoted Investments:</u>		
UK listed Bonds	197	145
UK listed Equities	132	119
Overseas listed Equities	176	175
Overseas listed Bonds	29	26
UK Property Unit Trusts	91	92
<u>Other:</u>		
Interest on Cash Deposits	410	305
Other	63	26
Total	1,098	888

In 2017 £804k (2016: £526k) of the investment income was attributable to unrestricted income funds, £261k (2016: £328k) was attributable to designated income funds, £2k (2016: £5k) was attributed to restricted income funds, and the remaining £31k (2016: £29k) was attributable to endowment income funds.

Charity	Total 2017 £'000	Total 2016 £'000
<u>Quoted Investments:</u>		
UK listed Bonds	175	106
UK listed Equities	126	97
Overseas listed Equities	169	138
Overseas listed Bonds	29	20
UK Property Unit Trusts	85	67
<u>Other:</u>		
Return on investment in Baptist Union Corporation Ltd	49	133
Interest on Cash Deposits	237	322
Other	210	22
Total	1,080	905

In 2017 £637k (2016: £543k) of the investment income was attributable to unrestricted income funds, £412k (2016: £328k) was attributable to designated income funds, £nil (2016: £5k) was attributed to restricted income funds, and the remaining £31k (2016: £29k) was attributable to endowment income funds.

BAPTIST UNION OF GREAT BRITAIN

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2017

5. OTHER INCOME

Consolidated	Unrestricted Funds £'000	Designated Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2017 £'000	Total 2016 £'000
Other income	57	-	0	-	57	6
Total	57	-	0	-	57	6

In 2016, £6k of other costs was related to Unrestricted funds with nil attributable to other funds

Charity	Unrestricted Funds £'000	Designated Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2017 £'000	Total 2016 £'000
Other income	25	-	-	-	25	6
Total	25	-	-	-	25	6

In 2016, £6k of other costs was related to Unrestricted funds with nil attributable to other funds

6. RAISING FUNDS

Consolidated	Unrestricted Funds £'000	Designated Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2017 £'000	Total 2016 £'000
Investment	75	37	-	6	118	106
Publication expenses	6	-	-	-	6	18
Total	81	37	-	6	124	124

In 2016, £6k of costs in relation to raising funds was attributable to endowment funds, £1k was attributable to restricted funds, £53k was attributable to designated funds, and the remaining £64k was attributable to unrestricted funds.

Charity	Unrestricted Funds £'000	Designated Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2017 £'000	Total 2016 £'000
Investment	60	37	-	6	103	78
Publication expenses	6	-	-	-	6	18
Total	66	37	-	6	109	96

In 2016, £6k of costs in relation to raising funds was attributable to endowment funds, £1k was attributable to restricted funds, £53k was attributable to designated funds, and the remaining £36k was attributable to unrestricted funds.

BAPTIST UNION OF GREAT BRITAIN

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2017

7. CHARITABLE ACTIVITIES

Consolidated	Unrestricted	Designated	Restricted	Endowment	Total	Restated
	Funds	Funds	Funds	Funds	2017	Total
	£'000	£'000	£'000	£'000	£'000	2016
						£'000
Regional Association						
- Mission Grants	1,721	-	-	-	1,721	1,926
- Operations Funding	1,869	7	-	-	1,876	1,819
Faith & Society						
- Team Costs	799	90	-	-	889	916
- Ecumenical	74	3	-	-	77	90
- Other grants	92	-	-	-	92	55
Ministries						
- Team Costs	1,017	126	-	-	1,143	1,159
- Training	289	35	-	-	324	251
Support Services						
- Advice & Information	37	5	-	-	42	56
- Pension Deficit	28	8	35	-	71	185
Cessation						
- BSBS		125			125	-
- Benevolent Funds	18	16	3	-	37	25
Other						
- Retirement Housing	-	-	410	-	410	228
- BU Corporation	644				644	575
Total	6,588	415	448	-	7,451	7,285

In 2016, £416k of costs in relation to charitable activities was attributable to restricted funds, £806k was attributable to designated funds, and the remaining £6,063k was attributable to unrestricted funds.

Charity	Unrestricted	Designated	Restricted	Endowment	Total	Restated
	Funds	Funds	Funds	Funds	2017	Total
	£'000	£'000	£'000	£'000	£'000	2016
						£'000
Regional Association						
- Mission Grants	1,721	-	-	-	1,721	1,981
- Operations Funding	1,871	7	-	-	1,878	1,764
Faith & Society						
- Team Costs	774	90	-	-	864	869
- Ecumenical	75	3	-	-	78	88
- Other grants	92	-	-	-	92	55
Ministries						
- Team Costs	1,056	126	-	-	1,182	1,087
- Training	301	35	-	-	336	238
Support Services						
- Advice & Information	39	5	-	-	44	51
- Pension Deficit	32	8	35	-	75	176
Cessation						
- BSBS		125			125	-
- Benevolent Funds	-	16	3	-	19	17
Total	5,961	415	38	-	6,414	6,326

In 2016, £5k of costs in relation to charitable activities was attributable to restricted funds, £806k was attributable to designated funds, and the remaining £5,515k was attributable to unrestricted funds.

BAPTIST UNION OF GREAT BRITAIN

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2017

8. ALTERNATIVE ANALYSIS OF EXPENDITURE

Consolidated	Note	Direct Charitable	Grants	Support Costs	TOTAL 2017	TOTAL 2016
		£'000	(note 24) £'000	(note 10) £'000	£'000	£'000
Regional Association						
- Mission Grants		-	1,721	-	1,721	1,926
- Operations Funding		28	1,812	36	1,876	1,819
Faith & Society						
- Team Costs		428	-	461	889	916
- Ecumenical		12	49	16	77	90
- Other grants		-	92	-	92	55
Ministries						
- Team Costs		569	-	575	1,144	1,159
- Training		145	-	179	324	251
Support Services						
- Advice & Information		10	-	32	42	56
- Pension Deficit Cessation		19	-	52	71	185
- BSBS		-	125	-	125	-
- Benevolent Funds		18	19	-	37	25
Other						
- Retirement Housing		-	-	410	410	228
- BU Corporation		643	-	-	643	575
		1,872	3,818	1,761	7,451	7,285
Cost of raising funds		124	-	-	124	124
Other		-	-	-	-	-
Total		1,996	3,818	1,761	7,575	7,418

In 2016 £2,021k related to Direct Charitable expenditure, £3,866k to Grants and £1,531k to Support Costs

Charity	Note	Direct Charitable	Grants	Support Costs	TOTAL 2017	TOTAL 2016
		£'000	(note 23) £'000	(note 10) £'000	£'000	£'000
Regional Association						
- Mission Grants		-	1,721	-	1,721	1,981
- Operations Funding		31	1,812	35	1,878	1,764
Faith & Society						
- Team Costs		408	-	456	864	869
- Ecumenical		14	49	15	78	88
- Other grants		-	92	-	92	55
Ministries						
- Team Costs		559	-	623	1,182	1,087
- Training		159	-	177	336	238
Support Services						
- Advice & Information		21	-	23	44	51
- Pension Deficit Cessation		35	-	40	75	176
- BSBS		-	125	-	125	-
- Benevolent Funds		-	19	-	19	17
		1,227	3,818	1,369	6,414	6,326
Cost of raising funds		109	-	-	109	96
Total		1,336	3,818	1,369	6,523	6,422

In 2016 £1,350k related to Direct Charitable expenditure, £3,866k to Grants and £1,206k to Support Costs

BAPTIST UNION OF GREAT BRITAIN

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2017

9. OTHER EXPENDITURE

There was no other expenditure in 2017 (2016: £nil) for either the charity or the group.

10. SUPPORT COSTS

Consolidated	Unrestricted Funds £'000	Designated Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2017 £'000	Restated Total 2016 £'000
Staff	422	22	56	-	500	395
Depreciation	57	-	4	-	61	80
Property	151	92	221	-	464	206
Insurance	8	-	39	-	47	9
Printing and postage	13	-	-	-	13	34
IT	42	13	-	-	55	222
Other Office Costs	3	-	-	-	3	32
Bank charges	8	-	55	-	63	10
Management Charges	-	-	-	-	-	212
Office facilities	35	-	24	-	59	50
Pension Deficit	125	-	-	-	125	31
Total	864	127	399	-	1,390	1,281
Governance costs						
Annual Assembly	4	-	-	-	4	(1)
Council	20	-	-	-	20	22
Committees	49	-	-	-	49	43
Auditors' remuneration	26	-	8	-	34	77
Independent	(2)	-	-	-	(2)	-
Examination Fees						
Legal and Professional	103	144	4	-	251	97
Trustee Insurance	15	-	-	-	15	12
Total Governance costs	215	144	12	-	371	250
Total Support costs	1,079	271	411	-	1,761	1,531

In 2016, £8k of support costs were attributable to restricted funds £206k were attributable to designated funds, and the remaining £1,317k was attributable to unrestricted funds.

BAPTIST UNION OF GREAT BRITAIN

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2017

10. SUPPORT COSTS (continued)

Charity	Unrestricted	Designated	Restricted	Endowment	Total	Restated
	Funds £'000	Funds £'000	Funds £'000	Funds £'000	2017 £'000	Total 2016 £'000
Staff	371	22	-	-	393	395
Depreciation	48	-	-	-	48	26
Property	309	92	-	-	401	298
Insurance	9	-	-	-	9	9
Printing and postage	13	-	-	-	13	34
IT	42	13	-	-	55	253
Other Office Costs	3	-	-	-	3	32
Bank charges	8	-	-	-	8	9
Office facilities	32	-	-	-	32	50
Pension Deficit	125	-	-	-	125	-
Total	960	127	-	-	1,087	1,106
Governance costs						
Annual Assembly	3	-	-	-	3	(1)
Council	20	-	-	-	20	22
Committees	49	-	-	-	49	5
Auditors' remuneration	26	-	-	-	26	34
Legal and Professional	25	144	-	-	169	29
Trustee Insurance	15	-	-	-	15	11
Total Governance costs	138	144	-	-	282	100
Total Support costs	1,098	271	-	-	1,369	1,206

In 2016, £206k of support costs were attributable to designated funds, and the remaining £1,000k was attributable to unrestricted funds.

11. NET INCOME FOR THE YEAR

	Consolidated		Charity	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000
This is stated after charging/(crediting):				
Depreciation	124	36	111	26
Auditors' remuneration:				
Audit work	65	63	30	28
Non-audit work	6	4	6	2
Audit work – previous auditor: over accrual in respect of prior year	(7)	10	(4)	3

BAPTIST UNION OF GREAT BRITAIN

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2017

12. EMPLOYEES AND TRUSTEES

	Note	Consolidated		Charity	
		2017 £'000	2016 £'000	2017 £'000	2016 £'000
Staff and appointed minister costs:					
Salaries and stipends		1,144	1,182	1,144	1,182
Social security costs		98	109	98	109
Pension costs		143	138	143	138
Other costs		14	68	14	68
		1,399	1,497	1,399	1,497
Less:					
Attributable to other Baptist entities		(169)	(226)	(418)	(477)
Total		1,230	1,271	981	1,020
Average number employees during the year:		39	39	33	30

No employee received emoluments in excess of £60,000 during the year (2016: £nil).

Trustee emoluments, including pension contributions of £8,224 (2016: £8,182), were paid for one trustee (2016: 1), Rev. Lynn Green, amounting to £35,790 (2016: £39,779). 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 appointed minister, 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 £2,739 was paid to 8 Trustees in reimbursement of travelling and subsistence expenses as Trustees (2016: £1,581 to 8 Trustees).

Total aggregate remuneration paid to key management personnel during the year was £169,023 (2016: £144,942).

13. TANGIBLE FIXED ASSETS

Consolidated	Freehold Properties £'000	Leasehold Properties £'000	Computer Equipment £'000	Furniture & Fittings £'000	Total 2017 £'000
Cost					
1 January 2017	37,992	1,027	484	266	39,769
Additions	5,243	95	29	79	5,446
Disposals	(1,834)	(67)	(234)	(266)	(2,401)
Loss arising on closure of joint arrangement	(557)				(557)
Transfers to Investment Property	(119)	-	-	-	(119)
Transfer of assets from Joint Arrangement to BHL	-	-	(135)	-	(135)
31 December 2017	40,725	1,055	144	79	42,003
Depreciation					
1 January 2017	0	44	378	266	688
Charge for the year	58	4	47	15	124
Disposals	-	-	(237)	(266)	(503)
Transfer of assets from Joint Arrangement to BHL	-	-	(77)	-	(77)
31 December 2017	58	48	111	15	232
Net Book Value					
31 December 2017	40,667	1,007	33	64	41,771
31 December 2016	37,992	983	106	-	39,081

BAPTIST UNION OF GREAT BRITAIN

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2017

13. TANGIBLE FIXED ASSETS (continued)

Charity	Freehold Properties £'000	Leasehold Properties £'000	Computer Equipment £'000	Furniture & Fittings £'000	Total 2017 £'000
Cost					
1 January 2017	4,543	-	212	266	5,021
Additions	4,285	-	15	79	4,379
Disposals	(479)	-	(81)	(266)	(826)
31 December 2017	8,349	-	146	79	8,574
Depreciation					
1 January 2017	-	-	159	266	425
Charge for the year	58	-	38	15	111
Disposals	-	-	(86)	(266)	(352)
31 December 2017	58	-	111	15	184
Net Book Value					
31 December 2017	8,291	-	35	64	8,390
31 December 2016	4,543	-	53	-	4,596

14. FIXED ASSET INVESTMENTS

Consolidated	Quoted at market value £'000	Cash with Managers £'000	Investment Property £'000	Total 2017 £'000	Total 2016 £'000	
Balance at 1 January	18,104	749	-	18,853	17,049	
Additions	2,509	3,106	-	5,615	3,847	
Disposals	(3,081)	(2,512)	-	(5,593)	(3,984)	
Transfer of investment property	-	-	119	119	-	
Realised and unrealised gains/(losses)	1,407	(9)	721	2,119	1,941	
Withdrawals	-	(1,084)	-	(1,084)	-	
Balance at 31 December	18,939	250	840	20,029	18,853	
Add / (deduct) share of net assets in Baptist House Limited				102	(186)	
Total Fixed Asset Investments				20,131	18,667	
Historical Costs of Investments				16,259	18,455	
Charity	Unquoted at cost £'000	Quoted at market value £'000	Cash with Managers £'000	Investment in Baptist Union Corporation Limited £'000	Total 2017 £'000	Total 2016 £'000
Balance at 1 January	2,250	13,971	625	6,634	23,480	21,681
Additions	300	6,743	3,230	-	10,273	2,428
Disposals	(2,355)	(3,081)	(2,512)	(5,174)	(13,122)	(2,411)
Realised and unrealised gains/(losses)	122	1,278	(9)	-	1,391	1,782
Withdrawals			(1,084)	-	(1,084)	-
Balance at 31 December	317	18,911	250	1,460	20,938	23,480
Historical cost of investments					16,111	14,736

BAPTIST UNION OF GREAT BRITAIN

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2017

14. FIXED ASSET INVESTMENTS (continued)

The following investments exceeded 5% of the total portfolio:	2017 £'000	2016 £'000
Royal London Ethical Bond Fund	3,076	2,554
Charities Property Fund	1,656	1,122
Unquoted investments at cost	2017 £'000	2016 £'000
Baptist Holiday Fellowship Limited	17	17
Joint Arrangement – between BMS World Mission and the Baptist Union of Great Britain	-	2,233
Baptist House Limited	300	-
Total unquoted investment at cost	317	2,250

The unquoted investments represent 83.435% of the issued share capital of the Baptist Holiday Fellowship Limited which provides grants to ministers to take holidays, and 50% of Baptist House Limited which provides office accommodation for the staff of the Baptist Union of Great Britain and BMS World Mission. The Joint Arrangement between the Baptist Missionary Society and the Baptist Union of Great Britain owned and ran the premises at Baptist House until 31 October 2017 when it was closed and its assets and liabilities transferred to Baptist Union of Great Britain, BMS World Mission and Baptist House Limited.

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 2017 Baptist Union Corporation Limited made a surplus of £nil (2016: surplus of £439k) based on a turnover of £803k (2016: £969k). The company had capital and reserves of £4,720k (2015: £9,893k).

Retired Baptist Ministers' Housing Society Limited is a Co-operative and Community Benefit Society registered in England. It has been consolidated on a line by line basis. During the year ended 30 September 2017 Retired Baptist Ministers' Housing Society Limited made a surplus of £1,147k (2016: £2,055k), and the Company had accumulated capital and reserves of £30,157k (2016: £29,011k).

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 2017 Baptist Holiday Fellowship Limited made a surplus of £744k (2016: deficit of £4k) based on a turnover of £46k (2016: £41k) and the company had accumulated reserves of £977k (2015: £233k).

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 2017 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 2016 the Baptist Assembly made a deficit of £28k (2016: deficit £11k) based on a turnover of £28k (2016: £26k). The company had capital and reserves of £11k (2015: £39k).

The following entities have been included in the consolidated accounts on the basis set out below:

The Baptist Union of Great Britain appoints half of the committee of the Joint Arrangement with BMS World Mission which operated Baptist House Didcot for the Union and BMS World Mission until 31st October 2017, at which point it was wound down and the operations transferred to Baptist House Limited. The Union's share of the Joint Arrangement has been accounted for as a branch. During the year ended 31 October 2017 the Joint Arrangement made a surplus of £58k (2016: £86k) based on a turnover of £808k (2016: £824k) and the Joint Arrangement had accumulated reserves of £nil (2016: £244k). The loss recognised in the consolidated accounts on closure of the joint arrangement amounted to £545k.

BAPTIST UNION OF GREAT BRITAIN

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2017

14. FIXED ASSET INVESTMENTS (continued)

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 2017 Baptist House Limited made a deficit of £26k (2015: surplus of £5k) based on a turnover of £23k (2016: £58k) and the Company had reserves of £203k (2016: deficit of £371k).

15. DEBTORS

	Consolidated		Charity	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000
Accrued income	1,022	877	1,025	811
Prepayments and other debtors	433	365	70	125
Loans to staff	35	39	35	39
Amounts owed by group entities	-	-	288	546
	1,490	1,281	1,418	1,521
Loans:				
- Baptist Strategy Building Scheme (BSBS) loans	71	196	71	196
- Baptist Union Corporation Limited	-	-	667	-
- Manse Loans	4,528	4,346	-	-
- Church Loans	9,305	10,346	-	-
- Pension Loans	617	97	-	-
	14,521	14,985	738	196
Total Debtors	16,011	16,266	2,156	1,717

In respect of the outstanding BSBS loans of £71k, £18k is due to be repaid within 12 months (2016: 12k), £15k is due to be repaid between two and five years (2016: 17k), and £38k is due to be repaid in more than five years (2016: 167k).

In respect of the outstanding BUC loans of £14,450k, £1,239k is due to be repaid within 12 months (2016: 947k), £4,972k is due to be repaid between two and five years (2016: 7,601k), and £8,239k is due to be repaid in more than five years (2016: 6,241k).

16. CASH AND BANK BALANCES

	Consolidated		Charity	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000
Short-term Deposits	19,006	9,625	4,496	2,117
Notice deposits	18,683	15,234	-	1,000
Total	37,689	24,859	4,496	3,117

Short-term deposits are available in less than three months; notice deposits are available in more than three months but less than 12 months.

Included within the total cash balance is £133k (2016: £133k) attributable to the endowment fund, and therefore this amount is not available to use to further the activities of the charity.

BAPTIST UNION OF GREAT BRITAIN

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2017

17. CREDITORS

	Consolidated		Charity	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000
Amounts falling due within one year:				
Accruals and other creditors	1,067	400	873	301
Trust accounts	14,111	15,174	-	-
Covenant Trust accounts	2	13	-	-
Loan fund deposits	27,631	14,220	-	-
Intercompany creditors	-	-	21	-
Loans	3,102	3,176	-	-
Total	45,914	32,983	894	301

Included with the Loans balance is £1,685k (2016: £1,759k) 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 £1,417k (2016: £1,417k) to RBMHS which is secured on 16 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.

18. PROVISION FOR LIABILITIES

	Consolidated		Charity	
	2017 £'000	2016 Restated £'000	2017 £'000	2016 Restated £'000
Defined Benefit pension scheme liability				
Balance sheet liability at 1 st Jan	4,983	6,384	4,833	5,805
Deficiency contributions paid	(640)	(625)	(619)	(528)
Interest cost (recognised in Sofa)	135	21	125	20
Actuarial Gains/(Losses)	8	(797)	18	(462)
Balance sheet liability at 31st Dec	4,486	4,983	4,357	4,833

For more details on pension liabilities, please see note 25.

19. ENDOWMENT FUNDS

Consolidated and Charity	1 Jan 2017 £'000	Income £'000	Expenditure £'000	Gains and Losses £'000	Transfers £'000	31 Dec 2017 £'000
Sustentation Fund	1,010	31	(6)	73	(31)	1,077
Total Charity and Consolidated	1,010	31	(6)	73	(31)	1,077

	Fixed Assets £'000	Investments £'000	Current Assets £'000	Total £'000
Sustentation Fund	-	944	133	1,077
Total Charity and Consolidated	-	944	133	1,077

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.

BAPTIST UNION OF GREAT BRITAIN

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2017

20. RESTRICTED FUNDS

	1 Jan 2017 £'000	Income £'000	Expenditure £'000	Gains and Losses £'000	Transfers £'000	31 Dec 2017 £'000
Deaconesses'	12	-	(2)	-	-	10
Benevolent Fund						
Pension Reserve	159	304	(35)	-	-	428
Retired Ministers'	36	-	(1)	-	-	35
Benevolent Fund						
Total Charity	207	304	(38)	-	-	473
RBMHS	29,011	797	(410)	995	-	30,393
BUC (retired. minister housing)	456	-	-	-	-	456
Total Consolidated	29,674	1,101	(448)	995		31,322

	Fixed Assets £'000	Investments £'000	Current Assets £'000	Total £'000
(a) Deaconesses' Benevolent Fund	-	-	10	10
(b) Pension Reserve	-	-	937	937
(c) Retired Ministers' Benevolent Fund	-	-	35	35
Total Charity	-	-	982	982
(d) RBMHS	33,068	38	(2,713)	30,393
(e) BUC (retired ministers housing)	314	-	142	456
Total Consolidated	33,382	38	(1,589)	31,831

- (a) The Deaconesses' Benevolent Fund assists former members of the Deaconesses' Order.
- (b) The Pension Reserve has been established to support the Baptist denomination in addressing the issues relating to the deficit in the Baptist Pension Scheme. Funds are intended to be used to (1) clear the debts to the scheme of closed churches where no other funds are available, in order to avoid the Pension Trustees having to pursue individual church trustees for repayment, and (2) provide funds to reduce the overall deficit in the Baptist Pension Scheme.
- (c) The Retired Ministers' Benevolent Fund assists retired ministers on the accredited list.
- (d) RBMHS provides housing for retired Baptist ministers and their spouses.
- (e) Baptist Union Corporation holds freehold properties for direct charitable purposes and are for the housing of retired Baptist ministers, missionaries and their widows/widowers.

BAPTIST UNION OF GREAT BRITAIN

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2017

21. DESIGNATED FUNDS

	1 Jan 2017 £'000	Income £'000	Expenditure £'000	Gains and Losses £'000	Transfers £'000	31 Dec 2017 £'000
Loan fund capital	6,634	-	-	-	(5,174)	1,460
Baptist Strategy Building	196	-	(125)	-	-	71
Pension Reserve	6,207	1,012	(159)	455	4,000	11,515
Baptist House Reserve	2,233	151	-	123	557	3,064
Baptist House	867	-	(92)	-	(775)	-
Refurbishment fund						
Fixed Asset Reserve	4,543	-	-	-	984	5,527
One off Projects Reserve	136	-	(38)	-	-	98
Pastoral Fund	824	44	(21)	70	-	917
Ministry Review Fund	100	-	(17)	-	-	83
Mission Support Fund	105	-	-	-	(105)	-
Total Charity	21,845	1,207	(452)	648	(513)	22,735
Loan fund capital removed on consolidation	(6,634)	-	-	-	5,174	(1,460)
Adjustment for Baptist House Reserve on consolidation	-	(151)	-	(123)	76	(198)
Total Consolidated	15,211	1,056	(452)	525	4,737	21,077

	Fixed Assets £'000	Investments £'000	Current Assets £'000	Total £'000
(a) Loan fund capital	-	1,460	0	1,460
(b) Baptist Strategy Building Scheme	-	-	71	71
(c) Pension Reserve	-	8,614	2,901	11,515
(d) Baptist House Reserve	2,764	300	-	3,064
(e) Fixed Asset Reserve	5,527	-	-	5,527
(f) One-off Projects Reserve	-	-	98	98
(g) Pastoral Fund	-	811	106	917
(h) Ministry Review Fund	-	-	83	83
Total Charity	8,291	11,185	3,259	22,735
Elimination of loan fund capital on consolidation		(1,460)	-	(1,460)
Adjustment of investment in BHL on consolidation		(198)	-	(198)
Total	8,291	9,527	3,259	21,077

- (a) The Loan Fund Capital is the investment in Baptist Union Corporation to provide capital to the Baptist Union Loan Fund. The loan fund primarily assists churches with finance for new buildings, for extensions and/or refurbishment of church premises, for the purchase of church manses and loans to enable churches to pay off their pension deficits – this is removed on consolidation.
- (b) The Baptist Strategy Building Scheme provided loans to finance to church building. The fund represents balances outstanding and is not open to new applications. Repayments are transferred to Unrestricted funds.
- (c) The Pension Reserve has been established by the Baptist Union of Great Britain to support the Baptist denomination in addressing the issues relating to the deficit in the Baptist Pension Scheme. Funds are intended to be used to (1) clear the debts to the scheme of closed churches where no other funds are available, in order to avoid the Pension Trustees having to pursue individual church trustees for repayment, and (2) provide funds to reduce the overall deficit in the Baptist Pension Scheme.
- (d) The Baptist House Reserve recognises the investment in Baptist House that is used for operational purposes to provide office accommodation for the Specialist Teams and is not readily a liquid asset. During the year to simplify administration the Joint arrangement with BMS World Mission was wound up and the Union's share of the freehold asset was transferred to the Union's balance sheet. The day to day operation of Baptist House has been transferred to Baptist House Limited. £300k in capital was provided to Baptist House Limited during the year to support its ongoing operations.

BAPTIST UNION OF GREAT BRITAIN

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2017

21. DESIGNATED FUNDS (Continued)

- (e) The Baptist House Refurbishment Fund represents the funds set aside for the Unions share of the costs of refurbishing Baptist House, including work on the fabric and plant of the building and furniture and equipment to support the users of the building by BUGB. This process commenced during 2016 and was completed in 2017. The assets created in the refurbishment were transferred to the Baptist House Reserve and the fixed asset reserve as appropriate and the remaining balance of £289k on the fund was transferred to the general fund.
- (f) The Fixed Asset Reserve holds fixed assets used to support the ongoing operations of BUGB. This reserve includes essential housing provided for Association and other Union staff as well as furniture, fittings, computers, software and other assets. This is not a readily liquid asset.
- (g) 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 the end of 2018.
- (h) The Pastoral Fund exists for the relief of need, hardship or distress.
- (i) 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 and support to key strategic projects. It is envisaged that the fund will be fully spent by the end of 2018.
- (j) 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. During 2017 it was determined that this fund was no longer needed and the remaining balance was transferred to the general fund.

22. RECONCILIATION OF FUNDS

Funds of the Group	Unrestricted Funds £'000	Designated Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total £'000
Balance at 1 January 2017 as previously reported	15,635	15,211	29,492	1,010	61,348
Prior Year Adjustments:					
(a) Pension	(642)	-	-	-	(642)
(b) Property	-	-	182	-	182
(c) Grant creditor	19	-	-	-	19
Balance at 1 January 2017 restated	15,012	15,211	29,674	1,010	60,907

The prior year adjustments relate to:

- the recognition of the net present value of the repayment plan on the defined benefit pension scheme that had not been recognised in the prior year
- a property received as a legacy in 2008 which had not previously been recognised in the financial statements
- a grant creditor that should not have been recognised in the prior period

Funds of the Charity	Unrestricted Funds £'000	Designated Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total £'000
Balance at 1 January 2017 as previously reported	5,354	21,845	207	1,010	28,416
Prior Year Adjustment					
(a) Pension	(640)	-	-	-	(640)
Balance at 1 January 2017 restated	4,714	21,845	207	1,010	27,776

The prior year adjustment relates to the recognition of the net present value of the repayment plan on the defined benefit pension scheme that had not been recognised in the prior year.

BAPTIST UNION OF GREAT BRITAIN

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2017

23. ANALYSIS OF NET ASSETS

Consolidated	Fixed Assets	Investments	Net Current Assets	Provisions	Total
	£'000	£'000	£'000	£'000	£'000
Endowment Funds	-	944	133	-	1,077
Restricted Funds	33,382	38	(2,098)	-	31,322
Designated Funds	8,291	9,527	3,259	-	21,077
Unrestricted Funds	98	9,623	6,491	(4,486)	11,726
Total	41,771	20,131	7,786	(4,486)	65,711

Charity	Fixed Assets	Investments	Net Current Assets	Provisions	Total
	£'000	£'000	£'000	£'000	£'000
Endowment Funds	-	944	133	-	1,077
Restricted Funds	-	-	473	-	473
Designated Funds	8,291	11,185	3,259	-	22,735
Unrestricted Funds	99	8,809	1,893	(4,357)	6,444
Total	8,390	20,938	5,758	(4,357)	30,729

24. 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:

	2017 £'000	2016 £'000
Ecumenical Grants		
Churches Together in England	24	24
Cytun	5	7
Churches Together in Britain and Ireland	7	7
World Council of Churches	5	5
Free Churches Council	1	2
Other grants	7	5
Total	49	50
Summary		
Operational Funding Grants to Regional Associations	1,812	1,819
General Grants for Baptist Organisations	83	55
Ecumenical grants	49	50
Mission grants	1,720	1,698
Provisions made against BSBS loans	125	-
Other grants	29	244
Total	3,818	3,866

BAPTIST UNION OF GREAT BRITAIN

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2017

25. PENSIONS

The Union is an employer participating in two 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, which have been completed since the year end. These valuations were performed by a professionally qualified Actuary using the Projected Unit Method.

	BPS DB Plan	BUSPS
Date of valuation	31 December 2016	1 January 2017
Date next valuation due	31 December 2019	1 January 2020
Market value of scheme assets (A)	£219m	£10.3m
Technical provisions (B)	£312m	£16.2m
Deficit [(B) – (A)]	£93m	£5.9m
Funding level [(A) / (B)]	70%	64%

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

- For the BPS, to continue the standard rate of deficiency contributions payable by churches and other employers involved in the DB Plan at a rate of 12% of Pensionable Income/ Minimum Pensionable Income. The contributions are 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 pay less than 12%. The Recovery Plan envisages deficiency contributions continuing until December 2028. In addition, BUGB has committed to make additional contributions on behalf of the Baptist denomination to reduce the deficit in the scheme of £30m in 2018, £2.5m by end 2022 and £1m by end 2023.
- For the BUSPS, to continue the previous deficiency contributions plan until March 2018, with an additional contribution of £2.6m shared between the participating employers by the end of March 2018 and a final contribution of £2.6m shared between the participating employers by the end of December 2021. All the contributions with the exception of the final payment due in December 2021 have now been made.

BAPTIST UNION OF GREAT BRITAIN

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2017

25. PENSIONS (continued)

The financial assumptions underlying the valuations were as follows:

Type of assumption	BUSPS %pa	BPS % pa
RPI price inflation assumption	3.45	3.50
CPI price inflation assumption	2.70	2.75
Minimum Pensionable Income increases (BPS only)		3.50
Pensionable Salary increases (BUSPS only)	3.70	
Assumed investment returns		
- Pre-retirement	3.50	3.50
- Post retirement	2.25	2.25
Deferred pension increases		
- Pre- April 2009	3.45	3.50
- Post April 2009	2.50	2.50
Pension increases (BPS main scheme pension and BUSPS pension)		
- Pre- April 2006	3.25	2.70
- Post April 2006	2.15	2.00

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 movement in the balance sheet liability is set out in the following table:

	BPS (Charity and Consolidated)		BUSPS (Consolidated)		BUSPS (charity only)	
	2017 £'000s	2016 £'000s	2017 £'000s	2016 £'000s	2017 £'000s	2016 £'000s
Balance sheet liability at 1 st Jan	641	589	4,341	5,795	4,192	5,216
Deficiency contributions paid	(32)	(32)	(607)	(592)	(586)	(496)
Interest cost (recognised in Sofa)	16	20	118	0	107	0
Remaining change to balance sheet liability (recognised in SoFA)	9	65	0	(862)	10	(528)
Balance sheet liability at 31st Dec	634	641	3,852	4,341	3,723	4,192

This liability represents the present value of the deficit contributions agreed as at the accounting date and has been valued using the following assumptions set by reference to the duration of the deficit recovery payments:

	31 Dec 2017	31 Dec 2016	31 Dec 2015
Discount Rate	2.35%	2.48%	3.41%
Future increases to Minimum Pensionable Income	3.13%	3.29%	2.68%

Please note that amendments to the deficit contributions for both BPS and BUSPS have been updated since the year end, as described above. Had the revised contribution plan been in place for BUSPS the balance sheet liability would have been approximately the same as the liability recorded at the balance sheet date. For BPS, the balance sheet liability would have been increased by approximately £32.4m.

26. RELATED PARTY TRANSACTIONS

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