

BAPTIST UNION OF GREAT BRITAIN

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 DECEMBER 2022

	Notes	Unrestricted Funds £'000	Designated Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2022 £'000	Total 2021 £'000
Income							
Donations and legacies	2	3,965	-	403	-	4,368	6,015
Charitable Activities	3	2,132	612	792	-	3,536	3,659
Investment income	4	586	78	24	40	728	438
Other income	5	77	91	-	-	168	220
Total Income		6,760	781	1,219	40	8,800	10,332
Less share of gross income resources from Joint Venture			(366)			(366)	(393)
Total Net Income before Joint Arrangement share		6,807	415	1,172	40	8,434	9,939
Expenditure							
Raising funds	6	59	11	-	8	78	69
Charitable activities	7	6,419	546	1,594	-	8,559	8,187
Total Expenditure	8	6,478	557	1,594	8	8,637	8,256
Net income before gains/ (losses) on investments, Fixed Asset Sales and Joint Arrangement share							
		282	(142)	(375)	32	(203)	1,683
Net interest in the results of the year for the joint venture		-	(27)	-	-	(27)	13
Net gains on investments	13	(571)	(88)	(3)	(112)	(774)	872
Net gains on sale of fixed assets		-	-	1,250	-	1,250	1,967
Net income before transfers		(289)	(257)	872	(80)	246	4,534
Transfers between funds	20, 21, 22	(849)	(13)	894	(32)	-	-
Net income before other recognised losses		(1,138)	(270)	1,766	(112)	246	4,534
Actuarial gains on defined benefit pension schemes	18	(4,739)	-	-	-	(4,739)	2
Net movement in funds		(5,877)	(270)	1,766	(112)	(4,493)	4,536
RECONCILIATION OF FUNDS							
Total funds brought forward		13,409	(8,018)	37,115	1,223	43,729	39,193
Total funds Carried forward		7,532	(8,288)	38,881	1,111	39,236	43,729

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 81 to 103 form an integral part of these financial statements.

BAPTIST UNION OF GREAT BRITAIN

**STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED 31 DECEMBER 2022**

	Notes	Unrestricted Funds £'000	Designated Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2022 £'000	Total 2021 £'000
Income							
Donations and legacies	2	4,248	552	5	-	4,805	5,954
Charitable Activities	3	206	246	123	-	575	1,261
Investment income	4	289	78	-	40	407	379
Other income	5	77	92	-	-	169	220
Total Income		4,820	968	128	40	5,956	7,814
Expenditure							
Raising funds	6	58	10	-	8	76	69
Charitable activities	7	5,035	1,439	58	-	6,532	6,945
Total Expenditure	8	5,093	1,449	58	8	6,608	7,014
Net income before gain/ (loss) on investments, Fixed Asset Sales and Revaluations							
		(273)	(481)	70	32	(652)	800
Net (loss)/gain on investments	13	(571)	(88)	-	(112)	(771)	869
Net gain on sale of fixed assets		-	-	-	-	-	160
Net income before transfers		(844)	(569)	70	(80)	(1,423)	1,829
Transfers between funds	20, 21, 22	(295)	327		(32)	-	-
Net income before other recognised gains		(1,139)	(242)	70	(112)	(1,423)	1,829
Actuarial gain on defined benefit pension schemes	18	(4,740)	-			(4,740)	2
Net movement in funds		(5,879)	(242)	70	(112)	(6,163)	1,831
RECONCILIATION OF FUNDS							
Total funds brought forward		10,022	(6,409)	13	1,223	4,849	3,018
Total funds Carried forward		4,143	(6,651)	83	1,111	(1,314)	4,849

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 81 to 103 form an integral part of these financial statements.

CONSOLIDATED BALANCE SHEET AT 31 DECEMBER 2022

	Notes	2022 £'000	2022 £'000	2021 £'000	2021 £'000
Fixed assets					
Tangible assets	12	42,994		41,338	
Intangible Assets	12	186		120	
Investments	13	13,101		13,836	
			56,281		55,294
Current assets					
Debtors	14	18,780		19,494	
Cash and Bank	15	37,102		28,399	
		55,882		47,893	
Current liabilities					
Creditors:					
Amounts falling due within one year	16	(68,034)		(59,286)	
			(12,152)		(11,393)
Net current liabilities					
			44,129		43,901
Provision for liabilities					
Defined Benefit pension scheme liability	18, 25		(4,893)		(172)
Net assets			39,236		43,729
CONSOLIDATED FUNDS					
Endowment funds	20		1,111		1,223
Restricted income funds	21		38,881		37,115
Designated funds	22		(8,287)		(8,018)
Unrestricted income funds			7,531		13,409
Total consolidated funds			39,236		43,729

The financial statements were approved by the Trustees on and signed on 27th April 2023 their behalf by



The Revd Andrew Cowley - Moderator



John Levick – Honorary Treasurer


The notes on pages 81 to 103 form an integral part of these financial statements.

BAPTIST UNION OF GREAT BRITAIN

BALANCE SHEET AT 31 DECEMBER 2022

	Notes	2022 £'000	2022 £'000	2021 £'000	2021 £'000
Fixed assets					
Tangible assets	12	3,725		3,812	
Intangible Assets	12	186		120	
Investments	13	15,707		16,413	
			19,618		20,345
Current assets					
Debtors	14	1,545		1,209	
Cash and Bank	15	7,664		3,792	
		9,209		5,001	
Current liabilities					
Creditors:					
Amounts falling due within one year	16	(5,248)		(325)	
			3,961		4,676
Net current assets					
Total assets less current liabilities					
			23,579		25,021
Long-Term liabilities					
Loan	17		(20,000)		(20,000)
Provision for liabilities					
Defined Benefit pension scheme liability	18, 25		(4,893)		(172)
Net assets					
			(1,314)		4,849
THE FUNDS OF THE CHARITY					
Endowment funds	20		1,111		1,223
Restricted income funds	21		83		13
Designated funds	22		(6,651)		(6,409)
Unrestricted income funds			4,143		10,022
Total charity funds					
			(1,314)		4,849

The financial statements were approved by the Trustees on and signed on 27th April 2023 their behalf by



John Levick – Honorary Treasurer

The notes on pages 81 to 103 form an integral part of these financial statements.

BAPTIST UNION OF GREAT BRITAIN

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Notes	2022 £'000	2021 £'000
Net income for the reporting year		246	4,534
Adjustments for:			
Net (loss)/gain on investments	13	672	(871)
Net interest in result of Baptist House Limited		27	(13)
Net income after gains on investment		945	3,650
Adjustments for:			
Depreciation	10, 12	168	164
Dividends and interest from investments		(728)	(437)
Net gain on sale of fixed assets		(1,248)	(1,965)
(Increase)/Decrease in debtors		697	1,107
Increase/(Decrease) in creditors and provisions		8,766	3,636
Movement in defined benefit liability		(22)	(36)
Net cash provided by operating activities		8,577	6,119
Cash flows from investing activities			
Dividends and interest from investments		728	437
Proceeds from sale of property		2,596	5,110
Purchase of tangible fixed assets		(3,236)	(1,769)
Proceeds from sales of investments		1,482	10,185
Purchase of investments		(1,719)	(12,818)
Cash withdrawn from investment managers		274	260
Net cash used in investing activities		125	1,405
Changes in cash and cash equivalents in the year		8,702	7,524
Cash and cash equivalents brought forward		28,399	20,875
Cash and cash equivalents carried forward	15	37,101	28,399

The notes on pages 81 to 103 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

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. 1181392, and meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

(b) Basis of Consolidation

Where control is exercised by the parent charity over another entity, 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 arrangement 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 13 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 13.

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

The Trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charity to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of approval of the financial statements.

In making this assessment the Trustees have considered the effect of the downturn of the UK economy with the cost-of-living crisis for the wider membership churches, and the possible impact this might have on the charity, in particular its income streams.

At the year end the balance sheet showed a net liabilities position of £1,314k. This has arisen due to a revised repayment plan for the pension scheme requiring a payment of £6m on 30 June 2026, recognised in these financial statements at a net present value of £4,758k (note 25). This is based on an actuarial valuation carried out in 2019. A new valuation based on the position at 31st December 2022 will not be known until later in 2023. It is likely that the liability at this time will be significantly less. Given that the amount due is being revised and in any event is not due for payment until 2026, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. The charity accounts have 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 capital and capital investment.

- Designated Funds: These represent amounts set aside by the Union for specific purposes as set out in note 22. 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 21.
- Endowment Funds: These represent amounts where the income may be used but where the capital is not expendable as set out in note 20.

(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 accrual's basis.
- Accommodation fees charged on loans which remain undrawn after 6 months are recognised on an accrual's basis.
- Trading income is accounted for in the period in which the associated event takes place.
- The long-term target for the quoted investment portfolio is to deliver a total return of CPI plus 4% per annum. After a change in investment strategy made in September 2020 the investment managers are targeted on overall total return irrespective of whether that return is in the form of dividends, interest or capital growth. As a result, from 2021 the Trustees have agreed to adopt a total return accounting policy, taking an income of 3.5% per annum from the investment portfolio. Investment income is initially accounted for when received or on an accruals basis where the amount can be measured reliably, and entitlement is certain. At the end of each financial year, the difference between the actual investment income received and 3.5% of the portfolio is drawn down from the portfolio as income. This amount is listed note 4 as "Total Return Adjustment".

(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. Multi-year grants are subject to performance conditions and are only recognised to the extent that conditions under the control of the Charity are met.
- 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.

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

(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%
Solar Panels	7%
Furniture and fittings	10% and 25%
Computers and equipment	20% 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.

(h) Intangible fixed assets

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

Computers software	20% and 33%
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Annual reviews are undertaken by the Trustees at each balance sheet date to assess whether there is an indication of impairment.

(i) Fixed asset investments

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

(j) Investment Property

Investment property is property deemed to be held for financial gain and is carried as the Trustees best estimate of valuation. It includes the proportion of a Baptist House (a mixed-use property) that is let out on a commercial basis. The Trustees review the valuation annually and changes in value are reported in the Statement of Financial Activities.

(k) Debtors

Accrued income is recognised in the period to which it relates. Loans are considered concessionary loans made as they are made by the charity to further its purposes. Loans are initially measured at the amount paid, with the carrying amount adjusted subsequently to reflect repayments and any interest receivable. Where any loan made is considered to be irrecoverable an impairment loss is recognised. Prepayments and other debtors are recognised at the settlement amount due. Debtors are measured at their recoverable amount.

(l) Cash at bank and in hand

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

(m) Creditors

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Accruals and other creditors are recognised at their settlement amount due. Trust accounts and loan fund deposits are recognised where held at the amount received and the carrying amount is adjusted to reflect any interest payable. Loans are considered concessionary loans received as they are made to the charity to further its purposes and any interest charged is below the prevailing market rates.

(n) 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.

(o) 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 Pension Scheme has been included, in accordance with the Schedule of Contributions dated 30 September 2020.

(p) 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.

(q) 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. Estimates based on externally published data are also made for investment properties.

(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.

(b) Accounting estimates and assumptions

- (i) Multi-employer defined benefit pension scheme: The charity has an obligation to pay a deficit funding arrangement in respect of the Baptist 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

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

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 12 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.

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

2. DONATIONS AND LEGACIES

Consolidated	Unrestricted Funds £'000	Designated Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2022 £'000	Total 2021 £'000
Donations	3,453	2	16	-	3,471	3,581
Legacies	48	-	387	-	435	1,934
Subscriptions	464	-	-	-	464	500
Gifts from other Baptist Constituents	-	(2)	-	-	(2)	-
Total	3,965	-	403	-	4,368	6,015

In 2021, £5,206k of charitable activities income was attributed to Unrestricted Funds, and £809k was attributable to Restricted Funds.

Charity	Unrestricted Funds £'000	Designated Funds £'000	Restricted Funds £'000	Endowment Funds £'000	2022 2021 £'000	2021 2020 £'000
Donations	3,421	2	-	-	3,423	3,555
Legacies	47	-	5	-	52	1,150
Subscriptions	464	-	-	-	464	500
Gifts from Other Baptist Constituents	316	550	-	-	866	749
Total	4,248	552	5	-	4,805	5,954

In 2021, £550k of charitable activities income was attributed to Designated Funds, and the remaining £5,404k was attributable to Unrestricted Funds.

3. CHARITABLE ACTIVITIES

Consolidated	Unrestricted Funds £'000	Designated Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2022 £'000	Total 2021 £'000
Publication sales	8	-	-	-	8	7
Rent	106	-	668	-	774	722
Grant Income	-	-	123	-	123	58
Funds received under Ultimate Trusts	-	246	-	-	246	1,037
Interest receivable from loans	1,831	-	-	-	1,831	1,242
Expenses receivable on trusts	66	-	-	-	66	89
Fee for operating gift aid scheme	3	-	-	-	3	2
Accommodation fees	6	-	-	-	6	6
Trading Income	91	-	1	-	92	99
Debt Recovered – BSBS	-	-	-	-	-	-
Other Income	21	-	-	-	21	4
Income: Joint Venture	-	366	-	-	366	393
Total	2,132	612	792	-	3,536	3,659

The Trustees of the Charity have agreed to designate monies received by the Charity as the beneficiary of Ultimate Trust provisions under the Trust Deeds of closing churches and other organisations, to the Pension Reserve Fund. In 2021, £1,230k of the charitable activities income was attributable to Designated Funds, £661 was attributed to Restricted Funds, and the remaining £1,568k was attributable to Unrestricted Funds.

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

3. CHARITABLE ACTIVITIES (Continued)

Charity	Unrestricted Funds £'000	Designated Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2022 £'000	Total 2021 £'000
Publication sales	9	-	-	-	9	7
Rent	106	-	-	-	106	63
Funds received under Ultimate Trusts Grant Income	-	246	-	-	246	1,037
Trading Income	91	-	123	-	123	58
Debt Recovery	-	-	-	-	-	96
Total	206	246	123	-	575	1,261

Monies 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 2021, £1,037k was attributable to Designated Funds, and the remaining £224k was attributable to Unrestricted Funds.

4. INVESTMENT INCOME

Consolidated

	Unrestricted Funds £'000	Designated Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2022 £'000	Total 2021 £'000
<u>Quoted Investments:</u>						
UK listed Bonds	37	4	1	4	46	53
UK listed Equities	71	9	-	10	90	90
Overseas listed Equities	122	15	-	16	153	3
Overseas listed Bonds	-	-	-	-	-	140
UK Property Unit Trusts	39	5	-	10	54	45
<u>Other:</u>						
Interest on Cash Deposits	317	-	23	-	340	61
UK Property	-	45	-	-	45	46
Total	586	78	24	40	728	438

In 2021, £324k of the investment income was attributable to Unrestricted income funds, £73k was attributable to designated income funds, £2k was attributed to restricted income funds, and the remaining £39k was attributable to endowment income funds.

	Unrestricted Funds £'000	Designated Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2022 £'000	Total 2021 £'000
Income before Total Return Adjustment	484	66	24	25	599	304
Total Return Adjustment	102	12	-	15	129	134
Total	586	78	24	40	728	438

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

4. INVESTMENT INCOME (Continued)

Charity	Unrestricted Funds £'000	Designated Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2022 £'000	Total 2021 £'000
<u>Quoted Investments:</u>						
UK listed Bonds	36	4	-	4	44	53
UK listed Equities	71	9	-	10	90	90
Overseas listed Equities	122	15	-	16	153	3
Overseas listed Bonds	-	-	-	-	-	140
UK Property Unit Trusts	39	5	-	10	54	45
<u>Other:</u>						
Interest on Cash Deposits	21	-	-	-	21	2
UK Property	-	45	-	-	45	46
Total	289	78	-	40	407	379

In 2021 £267k of the investment income was attributable to Unrestricted income funds, £73k was attributable to Designated income funds, and the remaining £39k was attributable to endowment income funds.

	Unrestricted Funds £'000	Designated Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2022 £'000	Total 2021 £'000
Income before Total	187	66	-	25	278	245
Return Adjustment						
Total Return Adjustment	102	12	-	15	129	134
Total	289	78	-	40	407	379

In 2021, £107k was added to actual income of £160k for Unrestricted funds, £12k was added to the actual income of £61k for Designated funds, and £15k was added to actual income of £24k for Endowment funds to reflect the increase in share value in order to give a true picture of Investment Income return.

5. OTHER INCOME

Consolidated	Unrestricted Funds £'000	Designated Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2022 £'000	Total 2021 £'000
Other income	77	91	-	-	168	220
Total	77	91	-	-	168	220

In 2021, £20k of other costs was related to Unrestricted funds, and the remaining £200k was related to Designated Funds.

Charity	Unrestricted Funds £'000	Designated Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2022 £'000	Total 2021 £'000
Other income	77	92	-	-	169	220
Total	77	92	-	-	169	220

In 2021, £20k of other costs was related to Unrestricted funds, and the remaining £200k was related to Designated Funds.

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

6. RAISING FUNDS

Consolidated	Unrestricted Funds £'000	Designated Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2022 £'000	Total 2021 £'000
Investment	59	7	-	8	74	66
Publication expenses	-	4	-	-	4	3
Total	59	11	-	8	78	69

In 2021, £7k of costs in relation to raising funds was attributable to Endowment funds, £9k was attributable to Designated funds, and the remaining £53k was attributable to Unrestricted funds.

Charity	Unrestricted Funds £'000	Designated Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2022 £'000	Total 2021 £'000
Investment	58	6	-	8	72	65
Publication expenses	-	4	-	-	4	4
Total	58	10	-	8	76	69

In 2021, £7k of costs in relation to raising funds was attributable to Endowment funds, £10k was attributable to Designated funds, and the remaining £52k was attributable to Unrestricted funds.

7. CHARITABLE ACTIVITIES

Consolidated	Unrestricted Funds £'000	Designated Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2022 £'000	Total 2021 £'000
Regional Association						
- Mission & Operations	2,870	-	-	-	2,870	3,581
Faith & Society						
- Team Costs	788	75	-	-	863	843
- Baptist Assembly	-	165	-	-	165	32
- Ecumenical	58	-	-	-	58	57
- Other grants	92	-	-	-	92	135
Ministries						
- Team Costs	477	46	-	-	523	450
- Mission Grants	116	65	-	-	181	167
- Student Training	148	-	-	-	148	154
Safeguarding						
- Team Costs	519	50	-	-	569	571
Support Services						
- Advice & Information	36	3	-	-	39	33
- Pension Cost	-	88	-	-	88	151
- BSBS	(70)	10	-	-	(60)	(17)
- Historic England	-	-	47	-	47	58
- Benevolent Funds	-	44	10	-	54	110
Other						
- Retirement Housing	-	-	1,537	-	1,537	1,196
- BU Corporation	1,385	-	-	-	1,385	666
Total	6,419	546	1,594	-	8,559	8,187

In 2021, £1,259k of costs in relation to charitable activities was attributable to Restricted funds, £559k was attributable to Designated funds, and the remaining £6,380k was attributable to Unrestricted funds.

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

7. CHARITABLE ACTIVITIES (continued)

Charity	Unrestricted Funds £'000	Designated Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2022 £'000	Total 2021 £'000
Regional Association						
- Mission & Operations	2,870	-	-	-	2,870	3,581
Faith & Society						
- Team Costs	787	76	-	-	863	843
- Baptist Assembly	-	165	-	-	165	32
- Ecumenical	58	-	-	-	58	57
- Other grants	92	-	1	-	93	135
Ministries						
- Team Costs	479	44	-	-	523	450
- Mission Grants	116	65	-	-	181	167
- Student Training	147	-	-	-	147	154
Safeguarding						
- Team Costs	519	50	-	-	569	571
Support Services						
- Advice & Information	36	4	-	-	40	32
- Pension Costs	-	981	-	-	981	772
- BSBS	(69)	10	-	-	(59)	(17)
- Historic England	-	-	47	-	47	58
- Benevolent Funds	-	44	10	-	54	110
Total	5,035	1,439	58	-	6,532	6,945

In 2021, £62k of costs in relation to charitable activities was attributable to Restricted funds, £1,180k was attributable to Designated funds, and the remaining £5,703k was attributable to Unrestricted funds.

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

8. ALTERNATIVE ANALYSIS OF EXPENDITURE

Consolidated	Direct Charitable	Grants (note 24)	Support Costs (note 9)	TOTAL 2022	TOTAL 2021
	£'000	£'000	£'000	£'000	£'000
Regional Association					
- Grants & Operational Funding	-	2,870	-	2,870	3,581
Faith & Society					
- Team Costs	442	-	421	863	889
- Baptist Assembly	165	-	-	165	(2)
- Ecumenical	-	58	-	58	61
- Other grants	-	92	-	92	93
Ministries					
- Team Costs	258	10	255	523	535
- Mission Grants	181	-	-	181	146
- Student Training	-	148	-	148	131
Safeguarding					
- Team Costs	292	-	277	569	420
Support Services					
- Advice & Information	20	-	19	39	33
- Pension Costs	88	-	-	88	2
- BSBS	(60)	-	-	(60)	(1)
- Historic England	42	5	-	47	58
- Benevolent Funds	-	54	-	54	332
Other					
- Retirement Housing	1,521	-	16	1,537	1,189
- BU Corporation	1,310	-	75	1,385	1,604
	4,259	3,237	1,063	8,559	8,376
Cost of raising funds	78	-	-	78	66
Total	4,337	3,237	1,063	8,637	8,442

In 2021 £3,116k related to Direct Charitable expenditure, £4,036k to Grants and £1,103k to Support Costs.

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

8. ALTERNATIVE ANALYSIS OF EXPENDITURE (Continued)

Charity	Direct Charitable	Grants (note 24)	Support Costs (note 9)	TOTAL 2022	TOTAL 2021
	£'000	£'000	£'000	£'000	£'000
Regional Association					
- Grants & Operational Funding	-	2,870	-	2,870	3,581
Faith & Society					
- Team Costs	442	-	421	863	845
- Baptist Assembly	165	-	-	165	32
- Ecumenical	-	58	-	58	56
- Other grants	-	93	-	93	135
Ministries					
- Team Costs	259	9	255	523	449
- Mission Grants	181	-	-	181	167
- Student Training	-	148	-	148	154
Safeguarding					
- Team Costs	292	-	277	569	569
Support Services					
- Advice & Information	21	-	19	40	34
- Pension Costs	982	-	-	982	772
- BSBS	(59)	-	-	(59)	(17)
- Historic England	42	5	-	47	58
- Benevolent Funds	-	54	-	54	110
	2,223	3,237	972	6,532	6,945
Cost of raising funds	76	-	-	76	69
Total	2,399	3,237	972	6,608	7,014

In 2021 £1,961k related to Direct Charitable expenditure, £4,036k to Grants and £1,017k to Support Costs

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

9. SUPPORT COSTS

Consolidated

	Unrestricted Funds £'000	Designated Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2022 £'000	Total 2021 £'000
Staff	318	2	-	-	320	417
Depreciation	66	95	-	-	161	157
Property	-	-	-	-	-	74
Insurance	122	-	-	-	122	17
Printing and postage	27	-	-	-	27	6
IT	6	-	-	-	6	125
Other Office Costs	77	-	-	-	77	16
Bank charges	16	-	-	-	16	9
Office facilities	11	-	-	-	11	4
Strategic Projects	4	-	-	-	4	40
Pension Costs	42	-	-	-	42	3
Total	689	97	-	-	786	868
Governance costs						
Annual Assembly	-	-	-	-	-	-
Council	30	-	-	-	30	15
Committees	21	-	-	-	21	7
Auditors' remuneration (see note 10)	59	-	7	-	65	76
Legal and Professional	56	77	9	-	142	120
Trustee Insurance	19	-	-	-	19	17
Total Governance costs	184	77	16	-	277	235
Total Support costs	873	174	16	-	1,063	1,103

In 2021, £12k of support costs were attributable to Restricted funds £185k were attributable to Designated funds, and the remaining £906k was attributable to Unrestricted funds.

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

9. SUPPORT COSTS (Continued)

Charity	Unrestricted Funds £'000	Designated Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2022 £'000	Total 2021 £'000
Staff	318	2	-	-	320	417
Depreciation	67	95	-	-	162	157
Property	122	-	-	-	122	74
Insurance	27	-	-	-	27	17
Printing and postage	6	-	-	-	6	6
IT	76	-	-	-	76	125
Other Office Costs	16	-	-	-	16	16
Bank charges	11	-	-	-	11	9
Office facilities	4	-	-	-	4	4
Strategic Projects	42	-	-	-	42	40
Pension Costs	-	-	-	-	-	3
Total	689	97	-	-	786	868
Governance costs						
Annual Assembly	-	-	-	-	-	-
Council	30	-	-	-	30	15
Committees	21	-	-	-	21	7
Auditors' remuneration	35	-	-	-	35	38
Legal and Professional	23	77	-	-	100	81
Trustee Insurance	-	-	-	-	-	8
Total Governance costs	109	77	-	-	186	149
Total Support costs	798	174	-	-	972	1,017

In 2021, £184k of support costs were attributable to Designated funds, and the remaining £833 was attributable to Unrestricted funds.

10. NET INCOME FOR THE YEAR

	Consolidated		Charity	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
This is stated after charging/(crediting):				
Depreciation/amortisation	161	157	161	157
Auditors' remuneration:				
Audit work	65	76	35	35
Audit work - previous year	-	-	-	3
Non-audit work	-	-	-	-

11. EMPLOYEES AND TRUSTEES

	Note	Consolidated		Charity	
		2022 £'000	2021 £'000	2022 £'000	2021 £'000
Staff and appointed minister costs:					
Salaries and stipends		1,357	1,340	1,357	1,262
Social security costs		130	120	130	103
Pension costs	25	146	155	146	109
Other costs					6
		1,633	1,615	1,633	1,480
Less: Attributable to other Baptist entities		(202)	(191)	(510)	(462)
Total		1,431	1,424	1,123	1,018
Average number employees during the year:		44	46	34	32

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

11. EMPLOYEES AND TRUSTEES (continued)

No employee received emoluments greater than £60,000 during the year (2021: NIL).

Total aggregate remuneration paid to key management personnel during the year was £286,963 (2021: £282,060).

Trustee emoluments, including pension contributions of £7,040 (2021: £8,762), were paid for one trustee (2021: 1), Rev. Lynn Green, amounting to £53,167 (2021: £54,160). Her appointment as trustee is in accordance with the Union's constitution. No emoluments were paid to any other trustees for their work as Trustees.

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

A total of £3,508 was paid to 11 Trustees in reimbursement of travelling and subsistence expenses as Trustees (2021: £3,748 to 9 Trustees).

No redundancy payments were paid in 2022 (2021: £24,403).

12. TANGIBLE AND INTANGIBLE FIXED ASSETS

Consolidated	TANGIBLE FIXED ASSETS				TANGIBLE Total	INTANGIBLE Computer Software	GRAND Total 2022
	Freehold Properties	Leasehold Properties	Computer Equipment	Furniture Fittings			
Cost	£'000	£'000	£'000	£'000	£'000	£'000	£'000
1 January 2022	40,496	1,326	75	81	41,978	271	42,249
Additions	2,770	336	3	-	3,109	127	3,236
Disposals	(1,301)	(47)	-	-	(1,348)	-	(1,348)
31 December 2022	41,965	1,615	78	81	43,739	398	44,137
Depreciation/Amortisation							
1 January 2022	437	56	68	80	641	150	791
Charge for the year	94	7	4	-	105	62	167
Disposals	-	(1)	-	-	(1)	-	(1)
31 December 2022	531	62	72	80	745	212	957
Net Book Value							
31 December 2022	41,434	1,553	6	1	42,994	186	43,180
31 December 2021	40,059	1,270	7	1	41,337	121	41,458

Charity	TANGIBLE FIXED ASSETS				TANGIBLE TOTAL	INTANGIBLE Computer Software	GRAND TOTAL 2022
	Freehold Properties	Leasehold Properties	Computer Equipment	Furniture Fittings			
Cost	£'000	£'000	£'000	£'000	£'000	£'000	£'000
1 January 2022	4,240	-	75	81	4,396	271	4,667
Additions	9	-	3	1	13	128	141
Disposals	-	-	-	-	-	-	-
31 December 2022	4,249	-	78	82	4,409	399	4,808
Depreciation/Amortisation							
1 January 2021	436	-	68	80	584	151	735
Charge for the year	95	-	4	1	100	62	162
Disposals	-	-	-	-	-	-	-
31 December 2021	531	-	72	81	684	213	897
Net Book Value							
31 December 2022	3,718	-	6	1	3,725	186	3,911
31 December 2021	3,804	-	7	1	3,812	120	3,932

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

13. FIXED ASSET INVESTMENTS

Consolidated	Quoted at market value £'000	Cash with Managers £'000	Investment Property £'000	Total 2022 £'000	Total 2021 £'000
Balance at 1 January	10,175	163	3,346	13,684	10,441
Additions	712	1,008	-	1,720	12,817
Disposals	(770)	(712)	-	(1,482)	(10,185)
Realised and unrealised gain/(loss)	(905)	23	210	(672)	871
Withdrawals		(274)	-	(274)	(260)
Balance at 31 December	9,212	208	3,556	12,976	13,684
Add / (deduct) share of net assets of Baptist House Limited				125	152
Total Fixed Asset Investments				13,101	3,836
Historical Costs of Investments				8,309	8,073

Charity	Unquoted at cost £'000	Quoted at market value £'000	Cash with Managers £'000	Investment in Property £'000	Total 2022 £'000	Total 2021 £'000
Balance at 1 January	2,760	10,144	163	3,346	16,413	12,172
Additions	-	712	1,008	-	1,720	13,817
Disposals	-	(770)	(712)	-	(1,482)	(10,185)
Realised and unrealised gain/(loss)	-	(902)	23	209	(670)	869
Withdrawals	-	-	(274)	-	(274)	(260)
Balance at 31 December	2,760	9,184	208	3,555	15,707	16,413
Historical cost of investments					8,309	8,073

The following investments exceeded 5% of the total portfolio:	2022 £'000	2021 £'000
Royal London Ethical Bond Fund	856	852
Charities Property Fund	621	653

Unquoted investments at cost	2022 £'000	2021 £'000
Baptist House Ltd	300	300
Baptist Union Corporation Ltd	2,460	2,460
Total unquoted investment at cost	2,760	2,760

The unquoted investments represent 50% of share capital of Baptist House Limited and The Union's capital loan to the Baptist Union Corporation Limited which provides the capital for the Baptists Together Loan fund.

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 2022 Baptist Union Corporation Limited made a surplus of £NIL (2021: deficit £1,000k) based on a turnover of £2,351k (2021: £2,465k), before consolidation. The company had capital and reserves of £4,387k (2021: £4,387k).
- Retired Baptist Ministers' Housing Organisation (RBMHO) is a Charitable Incorporated Organisation, registered charity number 1177649. It has been consolidated on a line-by-line basis. During the year ended 31 December 2022. RBMHO made a surplus of £1,695k (2021: £2,683k), before consolidation, and the Company had accumulated capital and reserves of £38,885k (2021: £37,189k).
- Baptist House Limited is a company limited by guarantee, registered number 02366122. The Union's share has been consolidated as a joint arrangement. During the year ended 31 October 2022 Baptist House Limited made a loss of £27k (2021: surplus of £13k) and the Company had reserves of £125k (2021: £151k).

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

14. DEBTORS

	Consolidated		Charity	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Accrued income	371	303	56	214
Prepayments and other debtors	857	153	557	147
Loans to staff	-	-	-	-
Amounts owed by group entities	-	-	22	5
	1,228	456	635	366
Loans:				
- Baptist Strategy Building Scheme (BSBS) loans	35	45	35	45
- Baptist Union Corporation Ltd	-	-	875	798
- Manse Loans	4,544	4,589	-	-
- Church Loans	12,203	12,732	-	-
- Pension Loans	331	394	-	-
- Baptist Colleges	328	1,986	-	-
- Secured advances to churches	111	92	-	-
- Provision for Doubtful Debts	-	(800)	-	-
	17,552	19,038	910	843
Total	18,780	19,494	1,545	1,209

In respect of the outstanding BSBS loans of £35k, £9k is due to be repaid within 12 months (2021: £9k), and £26k is due to be repaid between two and five years (2021: £36k).

In respect of the outstanding loans of £17,552k (2021: £19,701k), £627k (2021: £1,902k) is due to be repaid within 12 months, £4790k (2021: £2,520k) is due to be repaid between one and two years, £1,281k (2021: £3,538k) is due to be repaid between three and five years, and £15,129k (2021: £10,369k) is due to be repaid in more than five years.

Loans totalling £1,103k (2021: £2,253k) have been approved but not taken up as at 31 December 2022.

15. CASH AND BANK BALANCES

	Consolidated		Charity	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Short-term Deposits	13,042	17,461	1,955	3,028
Notice deposits	24,060	10,938	5,709	764
Total	37,102	28,399	7,664	3,792

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

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

16. CREDITORS

	Consolidated		Charity	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Amounts falling due within one year:				
Accruals and other creditors	269	433	139	324
Staff Loans	-	-	-	1
Trust accounts	14,168	13,099	-	-
Covenant Trust accounts	-	-	-	-
Loan fund deposits	51,370	43,590	-	-
Inter-company creditors	-	17	-	-
Bank Overdraft	-	-	1	-
Loans: Inter-company	2,227	2,147	5,108	-
Total	68,034	59,286	5,248	325

Included in the Loans Fund deposits is £2,147k (2021: £2,147k) 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.

17. LONG-TERM LIABILITY

	Consolidated		Charity	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Loan from Group Entity				
RBMHO	-	-	20,000	20,000
Total	-	-	20,000	20,000

The loan from RBMHO is an interest only loan at an interest rate of 3% above the Bank of England base rate. There is no fixed repayment date and it can only be recalled by the lender by giving no less than 12 months notice.

18. PROVISION FOR LIABILITIES

	Consolidated		Charity	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Defined Benefit pension scheme liability				
Balance sheet liability at 1 st Jan	172	208	172	208
Deficiency contributions paid	(22)	(37)	(22)	(37)
Interest losses (recognised in Sofa)	4	3	3	3
Actuarial (Gains)	(19)	(2)	(18)	(2)
(Gain) in funding plan	4,758	-	4,758	-
Balance sheet liability at 31st Dec	4,893	172	4,893	172

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

19. CONTINGENT ASSET

There were no contingent assets for the year ended 31st December 2022 or for the year ended 31st December 2021.

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

20. ENDOWMENT FUNDS

Consolidated and Charity	1 Jan 2022 £'000	Income £'000	Expenditure £'000	Gains and Losses £'000	Transfers £'000	31 Dec 2022 £'000
Sustentation Fund	1,223	40	(8)	(112)	(32)	1,111
Total	1,223	40	(8)	(112)	(32)	1,111
			Fixed Assets £'000	Investments £'000	Current Assets £'000	Total £'000
Sustentation Fund			-	1,111	-	1,111
Total			-	1,111	-	1,111

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

21. RESTRICTED FUNDS

	1 Jan 2022 £'001	Income £'000	Expenditure £'000	Gains and Losses £'000	Transfers £'000	31 Dec 2022 £'001
a) Retired Ministers' Benevolent Fund	13	5	(10)	-	-	8
b) Baptist Union Network	-	10	(1)	-	-	9
c) Online World Project	-	66				66
d) Historic England: Listed Buildings	-	47	(47)	-	-	-
Total Charity	13	128	(58)	-	-	83
e) RBMHO	37,102	1,091	(1,536)	1,247	894	38,798
Total Consolidated	37,115	1,219	(1,594)	1,247	894	38,881
			Fixed Assets £'000	Investments £'000	Current Assets £'000	Total £'000
(a) Retired Ministers' Benevolent Fund					8	8
(b) Baptist Union environment Network					9	9
(c) Online World Project					66	66
(d) Historic England: Listed Buildings					-	-
Total Charity					83	83
(e) RBMHO			39,269	29	(500)	38,798
Total Consolidated			39,269	29	(417)	38,881

- (a) The Retired Ministers' Benevolent Fund assists retired ministers on the accredited list.
- (b) The Baptist Union Environment Network encourages churches to be considering Eco-mission.
- (c) Online World Project is a grant funding provided through Porticus for an ecumenical online safety project aimed at 11-16 year olds. The Baptist Union, as one of the project partners, has agreed to hold and manage the project budget.
- (d) Historic England is grant funding for a quinquennial inspection project focused on protecting Baptist listed buildings.
- (e) RBMHO provides housing for retired Baptist ministers and their spouses.

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

22. DESIGNATED FUNDS	1 Jan 22	Income	Expenditure	Gain/(loss)	Transfer	31 Dec 22
	£'000	£'000	£'000	£'000	£'000	£'000
Loan fund capital	2,460	-	-	-	-	2,460
Baptist Strategy Building Scheme	45	-	(10)	-	-	35
Pension Reserve	(16,333)	838	(1091)	-	-	(16,586)
Baptist House Reserve	3,024	-	(73)	-	-	2,951
Fixed Asset Reserve	2,194	-	(22)	-	74	2,246
Pastoral Fund	2,161	79	(119)	(88)	-	2,033
Student Loan Fund	-	-	-	-	200	200
Strategic Projects	40	-	(30)	-	-	10
Baptist Assembly	-	51	(104)	-	53	-
Total Charity	(6,409)	968	(1,449)	(88)	327	(6,651)
Elimination / Adjust on consolidation						
- Loan Fund Capital	(1,460)	-	-	-	-	(1,460)
- Pension Reserve	-	(553)	893	-	(340)	-
- Baptist House Reserve	(149)	-	-	(27)	-	(176)
Total Consolidated	(8,018)	415	(556)	(115)	(13)	(8,287)

	Fixed Assets	Investments	Current Assets	Long-Term Liability	Total
	£'000	£'000	£'000	£'000	£'000
(a) Loan fund capital	-	2,460	-	-	2,460
(b) Baptist Strategy Building Scheme	-	-	35	-	35
(c) Pension Reserve	-	-	3,414	(20,000)	(16,586)
(d) Baptist House Reserve	1,665	1,286	-	-	2,951
(e) Fixed Asset Reserve	2,246	-	-	-	2,246
(f) Pastoral Fund	-	806	1,227	-	2,033
(g) Student Loan Fund	-	-	200	-	200
(h) Strategic Projects	-	-	10	-	10
Total Charity	3,911	4,552	4,886	(20,000)	(6,651)
Elimination / Adjust on consolidation					
(a) Loan fund capital	-	(1,460)	-	-	(1,460)
(c) Pension Reserve	-	-	(20,000)	20,000	-
(d) Investment in Baptist House Ltd	-	(176)	-	-	(176)
Total Consolidated	3,911	2,916	(15,114)	-	(8,287)

- (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
- (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.
- (e) The Fixed Asset Reserve holds fixed assets used to support the ongoing operations of BUGB. This is not a readily liquid asset.
- (f) The Pastoral Fund exists for the relief of need, hardship or distress.
- (g) Student Loan Fund has been created to assist ministerial students who need access to additional financial support in particular if they are unable to access funds from the Government Student Loan scheme. The scheme is administered by Kingdom Bank, a registered FSA organisation, and their bad debt loans are underwritten through this reserve.
- (h) The Strategic Projects Fund is to provide funding for projects deemed of strategic importance to The Union.

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

23. ANALYSIS OF NET ASSETS

Consolidated	Fixed Assets	Investments	Net Current Assets	Long Term Liability	Total
	£'000	£'000	£'000	£'000	£'000
Endowment Funds		1,111	-	-	1,111
Restricted Funds	39,269	29	(417)	-	38,881
Designated Funds	3,911	2,917	(15,116)	-	(8,287)
Unrestricted Funds	-	9,044	3,381	(4,893)	7,531
Total	43,180	13,101	(12,152)	(4,893)	39,236

Charity	Fixed Assets	Investments	Net Current Assets	Long Term Liability	Total
	£'000	£'000	£'000	£'000	£'000
Endowment Funds	-	1,111	-	-	1,111
Restricted Funds	-	-	83	-	83
Designated Funds	3,911	4,552	4,886	(20,000)	(6,651)
Unrestricted Funds	-	10,044	(1,008)	(4,893)	4,143
Total	3,911	15,707	3,961	(24,893)	(1,314)

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. Grants of £10k and over made during the year were as follows:

	Regional Association Operational Funding	Other Baptist Partner Institutions	Ecumenical Partners	TOTAL
	£'000	£'000	£'000	£'000
Angus Library	-	10	-	10
Baptist World Alliance	-	10	-	10
Bristol Baptist College	-	17	-	17
Central Baptist Association	223	-	-	223
Churches Together in Britain and Ireland	-	-	10	10
Churches Together in England	-	-	24	24
East Midlands Baptist Association	208	-	-	208
Eastern Baptist Association	239	-	-	239
European Baptist Federation	-	65	-	65
Heart of England Baptist Association	250	-	-	250
London Baptist Association	393	-	-	393
North Western Baptist Association	219	-	-	219
Northern Baptist Association	143	-	-	143
Northern Baptist College	-	23	-	23
South Eastern Baptist Association	226	-	-	226
South Wales Baptist Association	191	-	-	191
South West Baptist Association	169	-	-	169
Southern Counties Baptist Association	244	-	-	244
Spurgeons College	-	38	-	38
West of England Baptist Association	186	-	-	186
Yorkshire Baptist Association	179	-	-	179
	2,870	163	34	3,067
Total grants under £10k	-	19	27	46
Total Grants excluding Training & Pastoral	2,870	182	61	3,113
Training Grants				70
Pastoral Grants				54
Total Grants				3,237

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

25. PENSIONS

The Union is an employer participating in the Baptist Pension Scheme (“the Scheme”). The Scheme is a separate legal entity administered by the Pension Trustee (Baptist Pension Trust Limited). The assets of the Scheme are held separately from those of the Employer and the other participating employers.

From January 2012, pension provision is being made through the Defined Contribution (DC) Plan within the Scheme. In general, members pay 8% of their Pensionable Income and employers pay 6% of members’ Pensionable Income into individual pension accounts, which are operated and managed on behalf of the Pension Trustee by Broadstone Corporate Benefits Ltd. In addition, the employer pays a further 4% of Pensionable Income to cover Death in Service Benefits, administration costs, and an associated insurance policy which provides income protection for Scheme members if they are unable to work due to long-term incapacity. This income protection policy has been insured by the Baptist Union of Great Britain with Aviva Limited. A Basic Section which is designed to meet auto-enrolment requirements is also offered in which members pay reduced contributions of 5% of Pensionable Income, and their employers also pay a total of 5%.

The Minister(s) and where appropriate members of the church staff is / are eligible to join the Scheme. All staff of The Baptist Union of Great Britain are eligible to join the Scheme.

Benefits in respect of service prior to 1 January 2012 are provided through a Defined Benefit Plan within the Scheme.

The main benefit provided through the Defined Benefit (DB) Plan was a pension of one eightieth of final minimum pensionable income for each year of pensionable service together with additional pension in respect of premiums paid on Pensionable Income in excess of Minimum Pensionable Income. The Plan was closed to future accrual of defined benefits on 31 December 2011.

Following the Ministers’ Scheme moving into surplus on a technical provisions basis in 2022 a buy-in from Just with a view to moving to a buy-out in 2024.

Actuarial valuation as at 31 December 2019

The table below summarises the main results of the most recent actuarial valuations of the Defined Benefit (DB) Plan in the Scheme, which was completed in 2020. This valuation was performed by a professionally qualified Actuary using the Projected Unit Method.

	BPS DB Plan
Date of valuation	31 December 2019
Date next valuation due	31 December 2022
Market value of scheme assets (A)	£298m
Technical provisions (B)	£316m
Deficit [(B) – (A)]	£18m
Funding level [(A) / (B)]	94%

Mortality is assumed in accordance with 80% of the S3NA standard mortality table. Future improvements projected from 2013 in line with the “CMI 2019” projection with a long-term rate of improvement of 1.75% p.a. for males and 1.5% p.a. for females with the core smoothing parameter and with additional initial mortality improvement factor A=0.5%.

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

25. PENSIONS (Continued)

The next actuarial valuation of the DB Plan within the Scheme will commence in 2023 to reflect the position as at 31 December 2022

The key financial assumptions underlying the valuations were as follows:

Type of assumption	% p.a.
RPI price inflation assumption	3.20
CPI price inflation assumption	2.70
Minimum Pensionable Income Increase Adjustment (above CPI)	0.50
Pre-retirement assumed investment returns (gilt yield plus 1.75% pa)	2.95
Post retirement assumed investment returns (including benefits matched by the insurance policy) (gilt yield plus 0.5% pa)	1.70
Minimum Pensionable Income increases (CPI plus 0.5%)	3.20
Deferred pension increases (based on RPI)	
Pre April 2009	3.20
Post April 2009	2.50
Pension increases	
Based on CPI with an annual floor of 0% and annual cap of 5%	2.70

Mortality is assumed in accordance with 80% of the S3NA standard mortality table. Future improvements projected from 2013 in line with the "CMI 2019" projection with a long-term rate of improvement of 1.75% p.a. for males and 1.5% p.a. for females with the core smoothing parameter and with additional initial mortality improvement factor A=0.5%.

The Scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. Because it is not possible to attribute the Scheme's assets and liabilities to specific employers, the scheme is accounted for as if the Scheme were a defined contribution scheme.

Recovery Plan

In addition to the contributions to the DC Plan set out above, where a valuation of the DB Plan reveals a deficit the Trustee and the Council agree to a rate of deficiency contributions from churches and other employers involved in the DB Plan. Following the 2019 valuation a Recovery Plan was signed in September 2020 under which deficiency contributions are payable until June 2026. These contributions were broadly based on each employer's membership at 31 December 2014 and increase annually in line with increases to Minimum Pensionable Income as defined in the Rules.

On 30th June 2022 the Baptist Pension Scheme signed an agreement with the insurance company Just Group ("Just") to secure DB Plan members' pension benefits. Just are now providing financial backing for all pensions provided through the Scheme's DB Plan and following this transaction, the Scheme no longer has a shortfall. An updated Recovery plan was then signed in August 2022 under which recovery contributions from each participating employer in the DB Plan reduced to £1 per month from August 2022. Because the Recovery Plan was not a full revaluation of the Pension Fund, we are required to include the liability outstanding based on the December 2019 valuation which identifies the deficit of £6m which is due by June 2026, the date when the scheme was expected to be in balance under the 2019 plan. This £6m is reflected in the accounts on a discounted basis (£4.7m).

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

25. PENSIONS (continued)

Movement in Balance Sheet liability

Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability. The movement in the provision is set out in the table below.

The financial assumptions underlying the valuations were as follows:

Type of assumption	% p.a.
RPI price inflation assumption	3.20
CPI price inflation assumption	2.70
Minimum Pensionable Income Increase Adjustment (above CPI)	0.50
Pre-retirement assumed investment returns (gilt yield plus 1.75% pa)	2.95
Post retirement assumed investment returns (including benefits matched by the insurance policy) (gilt yield plus 0.5% pa)	1.70
Minimum Pensionable Income increases (CPI plus 0.5%)	3.20
Deferred pension increases (based on RPI)	
Pre April 2009	3.20
Post April 2009	2.50
Pension increases	
Based on CPI with an annual floor of 0% and annual cap of 5%	2.70

Mortality is assumed in accordance with 80% of the S3NA standard mortality table. Future improvements projected from 2013 in line with the "CMI 2019" projection with a long-term rate of improvement of 1.75% p.a. for males and 1.5% p.a. for females with the core smoothing parameter and with additional initial mortality improvement factor A=0.5%.

The Scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. Because it is not possible to attribute the Scheme's assets and liabilities to specific employers, the scheme is accounted for as if the Scheme were a defined contribution scheme.

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

	2022	2021
	£000	£000
Balance sheet liability at 1 st January	172	208
Deficiency contributions paid	(21)	(36)
Interest cost (recognised in SoFA)	3	2
Remaining change to balance sheet liability (recognised in SoFA)	(19)	(2)
Loss/(gain) on change of funding plan	4,758	-
Balance sheet liability at 31st December	4,893	172

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 2022	31 Dec 2021	31 Dec 2020
Discount Rate	5.66%	2.00%	1.37%
Future increases to Minimum Pensionable Income	3.26%	4.06%	3.07%

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

25. PENSIONS (continued)

The loss of £4,758 on change of funding plan has been recognised based on the last actuarial valuation of the scheme in 2019. A valuation as at 31 December 2022 is being undertaken this year. This is expected to show a significant reduction in the liability but this will not be known with certainty until the valuation is completed.

26. RELATED PARTY TRANSACTIONS

No trustee received any benefit (2021: NIL, £NIL)