

REGISTERED COMPANY NUMBER: 00209503 (England and Wales)
REGISTERED CHARITY NUMBER: 0247113

Report of the Trustees and
Unaudited Financial Statements for the Year Ended 31 December 2017
for
North Western Baptist Association

North Western Baptist Association

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for the Year Ended 31 December 2017

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TRUSTEES

Rev P Elson
Rev P Jump
Rev A Crawford
Rev R Preston
Mrs S Nutter
Mrs D Landriau
Mr A Clunie
Rev Dr S Oxley
Rev N J Brighton
Rev T Presswood
Rev S Hough
Rev J A Dodd
Rev G Ayoma
Rev T J Casey
Rev J Bradbury
Rev D Livermore

COMPANY SECRETARY

Mr Mark Heaton

REGISTERED OFFICE

IM Resource Centre
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Pemberton
Wigan
WN5 0DS

REGISTERED COMPANY NUMBER

00209503 (England and Wales)

REGISTERED CHARITY NUMBER

0247113

INDEPENDENT EXAMINER

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BANKERS

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WN1 1QS

Scottish Widows Bank
P O Box 12757
Morrison Street
Edinburgh
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The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2017. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

OBJECTIVES AND ACTIVITIES

OBJECTS

The objects of the charity as set out in its Memorandum of Association are:

The advancement of the Christian religion especially by the means of and in accordance with the principles of the Baptist denomination as set out for the time being in the Declaration of Principle of the Baptist Union of Great Britain.

Public benefit

The Trustees have had regard to the Charity Commission's guidance on public benefit in carrying out the activities of the charity.

The Association has continued to operate core activities including maintaining and developing a programme for ministerial recognition, training and development, actively participating in the national settlement process for ministers, and working to develop alternative approaches to ministry in those churches that cannot resource traditional patterns of paid ministry. We continue to encourage relationships between churches through a structure of mission networks and key events for training, celebration and mutual interaction. Team members are deployed for a significant amount of their time to work with churches on a one-to-one basis on issues of strategy, legal trust, buildings advice, church life, pastoral support of ministers and leaders and also operating in a representative role for the Baptist community in wider public life. The Association has maintained the necessary administrative structures to facilitate this work, including maintaining effective links with the Baptist Union of Great Britain, other UK Baptist Associations and Unions and some Baptist communities overseas.

Objects and Public Benefit

Public benefit

The Trustees have had regard to the Charity Commission's guidance on public benefit in carrying out the activities of the charity.

ACHIEVEMENT AND PERFORMANCE

Report on Key Objectives for 2017

We set our theme for 2017 as "Prayerful Listeners" and sought to express this in two ways:

To be an Association that listens and responds to the priorities and concerns of our member churches.

To encourage those churches to be discerning and Christ-focussed as they determine their concerns and priorities.

In the case of the former, we can reflect that the November 2017 "Unlocking the Potential" conference very much grew out of meeting with and listening to local churches. This in turn generated our over-arching vision for 2018.

We continue to summarise our activities with the overall objective to encourage Spiritually Healthy, sustainable churches.

The introductory comments made in last year's report highlighted two key realities:

"While this will be influenced by many factors, the most significant will often be those individuals who are called to roles of ministry and leadership within in those churches."

"Our patterns of leadership are becoming increasingly diverse, and while we remain committed to supporting and identifying accredited Baptist ministers, this must be done in a way that includes and affirms other patterns of leadership, particularly exploring how effective leadership can be developed and deployed in situations where paid ministry is proving increasingly difficult to sustain."

Not only did these two realities significantly shape our work in 2017, but as we look forward to 2018 they have, if anything, become of increasing significance.

In terms of our Key objectives for 2017, we can report:

Promote and learn from the "Prayerful Listeners" theme - ACHIEVED

This theme defined much of our work for 2017, being the focus of our AGM and celebration in Autumn. Various resources and reflections were made available through the website, and it formed the theme of a number of training events and away days. It was also a key element in the development of our vision around "healthy churches" Many churches responded positively to the initiative and from it emerged the theme for 2018 - Unlocking the Potential.

Develop an intentional approach to identifying and developing "spiritual health" in our churches - ACHIEVED - ONGOING

Initial work was led by A&K Dodd, and the scoping work is complete, offering an identifiable framework to work with going forward. This has been shaped around the concept of "spiritual pathways" and "Healthy Churches and Leaders" This will be developed and shared further in 2018.

Work with the Pioneer Co-ordinator to develop a clear strategy for supporting and developing pioneer ministries, including issues of funding. - PARTLY MET

An initial meeting with Pioneers has taken place and a Regional Conference arranged for 2018. Initial plans have been formulated for an ongoing support structure, but progress has been hampered by illness and relocation difficulties. Initial scoping should be complete by the end of February 2018.

Review and develop our approach to Ministerial Recognition, exploring partnership opportunities with YBA/NBA and seeking to incorporate learning from other aspects of leadership development work. PARTLY MET

Initial work with YBA, did not result in the envisaged partnership model. Work is now underway to explore an NWBA integrated approach to include local leadership development, MR, Formation and NAM support.

Review and develop our approach to ministry and leadership development to recognise the increasing diversity that includes local leaders, all-member ministry, accredited ministers and trans-local ministers and leaders. This should incorporate the Young leaders programme, Women in Leadership initiatives, the Latchford Centre, Leadership Development Hubs and Hawkeshead Hill Chapel as a centre of ministry support and spiritual direction. ACHIEVED

ACHIEVEMENT AND PERFORMANCE

Report on Key Objectives for 2017

Significant work has been done in this respect resulting in the umbrella theme "Unlocking the Potential" being developed for 2018. A conference in November sought to outline the emerging vision, which was well attended and well received. Specific outcomes have been identified which will be integrated into our objectives for 2018.

Arrange key NWBA events - Impact Weekend, Forum, AGM, Ministers' Conference - ACHIEVED

All anticipated events were organised. The AGM had to be postponed due to unforeseen changes in accounting requirements delaying the final production of the Annual Report. A postponed AGM was held in November 2017. All other events were organised as anticipated.

Review and re-develop NWBA website - ACHIEVED/ONGOING

Basic design work is now done. This includes changing the technical format of pages to make them "Mobile Friendly". The new page formats are being phased in with two sections of the existing website now presented in this style. Templates for further pages are designed and will be gradually introduced in 2018. We expect a complete transition by mid 2018.

Work with churches on key justice issues, especially in responding to the increased presence of refugee Christians in our churches. ACHIEVED - ONGOING

A training day was arranged in Autumn 2017, working in partnership with BMS World Mission to explore how we develop ministries among refugee communities. There is a growing sense of "group identity" among those churches most directly involved. NWBA is supporting the appointment of a ministry role based at Heywood BC. A number from the NWBA group are forming the BUGB delegation to a EBF refugee conference in April 2018. This work is ongoing, but adequate progress has been made in 2017.

Working with churches to develop a sustainable approach to key funding challenges including pension deficits, Home Mission support and NWBA funding. ACHIEVED

NWBA is both exploring income generation and expenditure reduction. The former has been through promoting the "Count me In" initiative, HM promotion through the Canal walk and working with the Pensions Employers Group. "Unlocking the Potential" includes an element which addresses the latter by exploring other models for providing ministry. The NWBA transition programme also seeks to make better use of integrated Home Mission funds by exploring how local church subsidy can be combined with NWBA roles and tasks. We have also had some success in attracting grant funding for some aspects of our work. We have also established a Pensions reserve fund to assist churches with pension deficits.

Complete planning work on transition and produce an agreed strategy/timetable ACHIEVED

The Transition programme and plan is complete. A final stage will be to introduce constitutional changes. These will be done and completed at the 2018 AGM.

Of our 10 key strategic objectives, 8 were achieved and 2 were partially achieved, in both cases there are identifiable and unavoidable reasons for this, and there is no reason to believe that these will not be completed in the first half of 2018.

FINANCIAL REVIEW

Sources of income

The Charity's main sources of annual recurring income on Unrestricted Funds are the grants from the Baptist Union, Home Mission refund and investment income.

The levels of Baptist Union grants are determined annually and may not remain at present levels, and the Home Mission refund is based on the Home Mission giving received from the churches of the Association in the previous year. The Association therefore keeps under constant review the relationship between its annual recurring income and its likely level of expenditure in the future.

Reserves of the charity are detailed below. With NWBA now responsible for distributing HM grants to churches directly through its block grant a full review of the reserves policy is in progress. At present the charity aims to have at least one years expenditure in reserve.

FINANCIAL REVIEW

Funds

Unrestricted funds

The Charity's unrestricted reserve consists of a general fund and five designated funds, which at the year-end amounted to £953,067 (2016 £964,494) which the Trustees have allocated as follows:

General fund £234,177
Social investment Property £203,276
Loan fund £18,430
One year's running costs £200,000
Pension reserve £170,100

The pension reserve is to cover the calculated deficit that would be due to the Baptist Ministers Pension Fund for NWBA current and former employees.

Restricted funds

There are two restricted funds:

Ministerial Emergency Fund:

This is funded by donations and is used to enable study grants and financial support for ministers in need. Grants of £375 (2016 - £Nil) have been made during the year.

Merseyside Fund

A donation of £80,000 was given in 2011 from the sale proceeds of Cornerstone Baptist Church for work in Merseyside. £12,690 (2016 - £11,512) has been utilised in the year, leaving £34,958 (2016 - £47,648) to be carried forward for future projects in the area.

Investment Powers and Restrictions

The Association uses the services of an investment manager for both Association and Church investments. The policy is to maximise return on investment within a secure base, on a sound ethical platform.

Investment performance achieved against investment objectives set

NWBA seeks to gain appropriate returns on investments within the following criteria:

Financial and equity investments should be made within an ethical framework;

Where possible capital investments, particularly housing stock should be useable to further the mission purposes of the Association.

The investment performance achieved against the objectives set was considered satisfactory.

Grants policy

The Association no longer makes loans available to churches due to changes in regulations. We do give grants to churches on application for two purposes: Mission and Equipment grants plus grants to enable churches to cover deficits on the Baptist Ministers Pension Fund (defined benefit scheme).

At the year end, loans outstanding amounted to £18,430 (2016 £12,428).

OBJECTIVES FOR 2018

Finance - Grow "Count me in" donor base to a minimum of 12 by the end the year.

Transition - Complete and agree constitutional changes as final stage of transition programme.

Church Life - Identify and establish an effective Church Life Team in accord with transition proposals.

Organise ongoing NWBA events as outlined in "Key Dates" plan

Safeguarding - consolidate the work done to establish an effective training network/programme and safeguarding support in partnership with BUGB.

Develop Buildings intervention initiative. Work with existing Buildings Advisory Group, other relevant professionals and interested churches to develop a pilot initiative to help congregations explore major re-development of site and buildings for sustainable futures.

Young Leaders Programme - Build on existing work done to develop a structured and sustainable programme.

Latchford Leaders Days - continue to offer a monthly gathering for emerging and non-accredited local church leaders and ministers.

Hawkeshead Leaders Days - Offer series of retreat days during the year.

Ministry Development - work on existing review of MR/NAM process to develop an integrated ministry support group including local leadership development, MR and NAM support.

Pioneer Development - Continue work with YBA/NBA/BUGB to develop a clear support and development network for Pioneers.

Leadership Programme - Build on successful first year Pilot to offer an ongoing programme with a least one further hub in place by the end of 2018. Aim for take up of at least 50% of ministers (excluding NAM's).

Inter-generational Church - build on existing work done to develop resources to help churches explore working together across generations.

Faithspace - Work with Melling Community Hub to develop "accessible" worship resources available for other pioneer contexts. (see www.faithspace.org.uk)

Autism Project - produce tangible resource as an outcome of research to provide practical support and advice to churches seeking to better understand and include people with Autism.

Learning Initiatives - continue to encourage informed theological discussion and learning around key ethical issues including deliverance ministry and human sexuality & gender identity.

Willesden Green Partnership - Develop and maintain an exchange partnership programme enabling young adults in London and Liverpool to experience each other's culture and to engage in mission between the two cities.

Unlocking the Potential - Maintain this theme and develop specific resources identified through the November 2017 conference including:

Support and resources for good practice in worship leading

Resources to help churches identify gifts and abilities within the congregation

Focussed resources, initially aimed at moderators around the management of change.

Input and challenge for minister encouraging a shift from "church managers" to "enabling and developing others"

Refugees - Continue to work with BUGB and YBA to support and encourage churches in ministry to refugees.

Ecumenical:

Work with CTMR to arrange bi-annual Pentecost Festival

Work with CTMR/Liverpool Hope Uni to support "The Big Hope"

Work with CTC/ICF to develop modern slavery study resource.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Company is governed by Memorandum and Articles of Association dated 6th November 1925 as amended by Special Resolutions dated 20th September 1997 and 16th November 2001.

A review of the Articles and supporting Regulations is in progress.

Structure

The Association is divided into nine geographic areas with eight elected Network Ministers to sit on the Council, together with individuals elected by member churches of NWBA. Co-opted and resource facilitators can make the number to equal two members from each geographic area. In addition the Council consists of; The Moderator, The Regional Ministers, The Company Secretary, The Treasurer and up to two representatives of Northern Baptist college.

The Council is appointed for a three year term of office.

Further sub committees are appointed when and if required by Council for specific purposes.

Risk Assessment

The Trustees have introduced a risk management process to assess business risks and implement systems to mitigate these risks.

The procedures will be periodically reviewed to ensure that they still meet the needs of the Charity.

FUNDS HELD AS CUSTODIAN FOR OTHERS

The NWBA is a Custodian Trustee for many churches in its membership. It holds property, stocks and shares and bank accounts in its position as trustee. Deeds to properties are held with the Baptist Union Corporation, other assets are held separately from Association own assets. During 2017 work was completed on transferring these to the Baptist Union Corporation.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the board of trustees on 17 May 2018 and signed on its behalf by:

Rev P Elson - Trustee

Statement of Trustees Responsibilities
for the Year Ended 31 December 2017

The trustees (who are also the directors of North Western Baptist Association for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

Independent examiner's report to the trustees of North Western Baptist Association ('the Company')

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 December 2017.

Responsibilities and basis of report

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached

Carlton Cooper
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Lancashire
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9 August 2018

North Western Baptist Association

Statement of Financial Activities

(Incorporating an Income and Expenditure Account)
for the Year Ended 31 December 2017

	Notes	Unrestricted funds £	Restricted funds £	31.12.17 Total funds £	31.12.16 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	222,628	386	223,014	278,471
Charitable activities					
Mission and evangelism		9,616	-	9,616	15,511
Investment income	3	2,141	-	2,141	2,462
Total		<u>234,385</u>	<u>386</u>	<u>234,771</u>	<u>296,444</u>
 EXPENDITURE ON					
Raising funds	4	10,264	-	10,264	15,601
Charitable activities					
Mission and evangelism		288,488	13,065	301,553	324,088
Grants- Ministerial Emergency Fund		-	-	-	1,000
Total		<u>298,752</u>	<u>13,065</u>	<u>311,817</u>	<u>340,689</u>
Net gains/(losses) on investments		<u>52,940</u>	<u>-</u>	<u>52,940</u>	<u>(5,166)</u>
NET INCOME/(EXPENDITURE)		<u>(11,427)</u>	<u>(12,679)</u>	<u>(24,106)</u>	<u>(49,411)</u>
 RECONCILIATION OF FUNDS					
Total funds brought forward		<u>964,494</u>	<u>52,192</u>	<u>1,016,686</u>	<u>1,066,097</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>953,067</u></u>	<u><u>39,513</u></u>	<u><u>992,580</u></u>	<u><u>1,016,686</u></u>

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

The notes form part of these financial statements

North Western Baptist Association

Balance Sheet

At 31 December 2017

	Notes	Unrestricted funds £	Restricted funds £	31.12.17 Total funds £	31.12.16 Total funds £
Investments					
Investments	11	725,688	34,958	760,646	757,083
Social investments	12	221,705	-	221,705	215,703
		<u>947,393</u>	<u>34,958</u>	<u>982,351</u>	<u>972,786</u>
CURRENT ASSETS					
Debtors	13	535	-	535	13,559
Cash at bank and in hand		14,842	4,555	19,397	42,868
		<u>15,377</u>	<u>4,555</u>	<u>19,932</u>	<u>56,427</u>
CREDITORS					
Amounts falling due within one year	14	(9,703)	-	(9,703)	(12,527)
		<u>5,674</u>	<u>4,555</u>	<u>10,229</u>	<u>43,900</u>
NET CURRENT ASSETS					
		<u>953,067</u>	<u>39,513</u>	<u>992,580</u>	<u>1,016,686</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
		<u>953,067</u>	<u>39,513</u>	<u>992,580</u>	<u>1,016,686</u>
NET ASSETS		<u>953,067</u>	<u>39,513</u>	<u>992,580</u>	<u>1,016,686</u>
FUNDS	15				
Unrestricted funds				953,067	964,494
Restricted funds				39,513	52,192
				<u>992,580</u>	<u>1,016,686</u>
TOTAL FUNDS				<u>992,580</u>	<u>1,016,686</u>

The notes form part of these financial statements

Balance Sheet - continued

At 31 December 2017

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2017.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2017 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to charitable small companies.

The financial statements were approved by the Board of Trustees on 17 May 2018 and were signed on its behalf by:

Rev P Elson -Trustee

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2017

2. DONATIONS AND LEGACIES

	31.12.17	31.12.16
	£	£
Donations	25,918	18,091
Grants	162,391	177,476
Other income	34,705	82,904
	<u>223,014</u>	<u>278,471</u>

Grants received, included in the above, are as follows:

	31.12.17	31.12.16
	£	£
Baptist Union of Great Britain	151,891	169,611
Reyner Trust	-	500
Baptist Training Partnership for Young leaders	-	5,000
Reyner Trust for use in Merseyside	1,000	2,040
Merseyside Church Watch	-	325
Blackburn Project	3,500	-
Baptist Men's Movement	3,000	-
Young Leaders Programme	3,000	-
	<u>162,391</u>	<u>177,476</u>

3. INVESTMENT INCOME

	31.12.17	31.12.16
	£	£
Rents received	500	678
Listed investment income	904	754
Unlisted investment income	200	200
Deposit account interest	-	538
Interest receivable on Social Investment loans	537	292
	<u>2,141</u>	<u>2,462</u>

4. RAISING FUNDS

Investment management costs

	31.12.17	31.12.16
	£	£
Portfolio management	10,264	8,169
Property repairs	-	7,432
	<u>10,264</u>	<u>15,601</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2017

5. GRANTS PAYABLE

	31.12.17	31.12.16
	£	£
Mission and evangelism	53,227	6,283
Grants- Ministerial Emergency Fund	-	1,000
	<u>53,227</u>	<u>7,283</u>

The total grants paid to institutions during the year was as follows:

	31.12.17	31.12.16
	£	£
Pension deficit grants	36,402	-
Mission and equipment grants	16,450	6,283
	<u>52,852</u>	<u>6,283</u>

6. SUPPORT COSTS

	Management	Governance	Totals
	£	costs £	£
Mission and evangelism	<u>12,690</u>	<u>20,374</u>	<u>33,064</u>

7. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	31.12.17	31.12.16
	£	£
Deficit on disposal of fixed asset	-	702
Independent examiner fee	924	804
	<u>924</u>	<u>804</u>

8. TRUSTEES' REMUNERATION AND BENEFITS

Directors salaries of £62,640 (2016: £71,793) were paid during the year. These are authorised by the Memorandum and Articles.

Housing payments of £20,960 (2016: £21,519) and travelling expenses of £15,135 (2016: £11,710) and other expenses of £6,162 (2016: £7,401) were paid to the Regional Ministers.

Trustees' expenses

Other trustees received travelling expenses of £Nil (2016: £1,771).

Notes to the Financial Statements - continued
for the Year Ended 31 December 2017

9. STAFF COSTS

	31.12.17 £	31.12.16 £
Wages and salaries	121,584	122,510
Social security costs	9,255	9,238
Other pension costs	10,899	14,253
	<u>141,738</u>	<u>146,001</u>

The average monthly number of employees during the year was as follows:

	31.12.17	31.12.16
Mission and evangelism	5	5
Administration	1	1
	<u>6</u>	<u>6</u>

No employees received emoluments in excess of £60,000.

10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	277,488	983	278,471
Charitable activities			
Mission and evangelism	15,511	-	15,511
Investment income	2,462	-	2,462
Total	<u>295,461</u>	<u>983</u>	<u>296,444</u>
EXPENDITURE ON			
Raising funds	15,601	-	15,601
Charitable activities			
Mission and evangelism	324,088	-	324,088
Grants- Ministerial Emergency Fund	-	1,000	1,000
Total	<u>339,689</u>	<u>1,000</u>	<u>340,689</u>
Net gains/(losses) on investments	<u>(5,166)</u>	<u>-</u>	<u>(5,166)</u>
NET INCOME/(EXPENDITURE)	<u>(49,394)</u>	<u>(17)</u>	<u>(49,411)</u>
Transfers between funds	<u>11,512</u>	<u>(11,512)</u>	<u>-</u>
Net movement in funds	<u>(37,882)</u>	<u>(11,529)</u>	<u>(49,411)</u>

10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted funds £	Restricted funds £	Total funds £
RECONCILIATION OF FUNDS			
Total funds brought forward	1,002,376	63,721	1,066,097
TOTAL FUNDS CARRIED FORWARD	<u>964,494</u>	<u>52,192</u>	<u>1,016,686</u>

11. FIXED ASSET INVESTMENTS

	Listed investments £	Unlisted investments £	Cash and settlements pending £	Totals £
MARKET VALUE				
At 1 January 2017	664,600	4,005	88,478	757,083
Additions	156,608	-	-	156,608
Disposals	(64,567)	-	(88,478)	(153,045)
At 31 December 2017	<u>756,641</u>	<u>4,005</u>	<u>-</u>	<u>760,646</u>
NET BOOK VALUE				
At 31 December 2017	<u>756,641</u>	<u>4,005</u>	<u>-</u>	<u>760,646</u>
At 31 December 2016	<u>664,600</u>	<u>4,005</u>	<u>88,478</u>	<u>757,083</u>

There were no investment assets outside the UK.

12. SOCIAL INVESTMENTS

	Programme related investments		Totals £
	Loans £	Other investments £	
MARKET VALUE			
At 1 January 2017	12,428	203,275	215,703
Additions	6,537	-	6,537
Disposals	(535)	-	(535)
At 31 December 2017	<u>18,430</u>	<u>203,275</u>	<u>221,705</u>
NET BOOK VALUE			
At 31 December 2017	<u>18,430</u>	<u>203,275</u>	<u>221,705</u>
At 31 December 2016	<u>12,428</u>	<u>203,275</u>	<u>215,703</u>

Other investments- property in Melling, Merseyside.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2017

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.17	31.12.16
	£	£
Other debtors	535	13,019
Prepayments and accrued income	-	540
	<u>535</u>	<u>13,559</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.17	31.12.16
	£	£
Other creditors	-	801
Accruals and deferred income	9,703	11,726
	<u>9,703</u>	<u>12,527</u>

15. MOVEMENT IN FUNDS

	At 1.1.17	Net movement	Transfers	At 31.12.17
	£	in funds	between funds	£
		£	£	
Unrestricted funds				
General Fund	52,034	(11,427)	193,470	234,077
Investment Property	203,276	-	-	203,276
Social investments - Loans	200,000	-	(181,570)	18,430
One year's running costs	200,000	-	-	200,000
East Lancashire Fund	127,184	-	-	127,184
Pension reserve	182,000	-	(11,900)	170,100
	<u>964,494</u>	<u>(11,427)</u>	<u>-</u>	<u>953,067</u>
Restricted funds				
Ministerial Emergency Fund	4,544	11	-	4,555
Merseyside Fund	47,648	(12,690)	-	34,958
	<u>52,192</u>	<u>(12,679)</u>	<u>-</u>	<u>39,513</u>
TOTAL FUNDS	<u>1,016,686</u>	<u>(24,106)</u>	<u>-</u>	<u>992,580</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2017

15. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General Fund	234,385	(298,752)	52,940	(11,427)
Restricted funds				
Ministerial Emergency Fund	386	(375)	-	11
Merseyside Fund	-	(12,690)	-	(12,690)
	<u>386</u>	<u>(13,065)</u>	<u>-</u>	<u>(12,679)</u>
TOTAL FUNDS	<u>234,771</u>	<u>(311,817)</u>	<u>52,940</u>	<u>(24,106)</u>

Comparatives for movement in funds

	At 1.1.16 £	Net movement in funds £	Transfers between funds £	At 31.12.16 £
Unrestricted Funds				
General Fund	132,295	(44,773)	(35,488)	52,034
Investment Property	135,000	-	(135,000)	-
Social investments - property	203,276	-	-	203,276
Social investments - Loans	200,000	-	-	200,000
One year's running costs	200,000	-	-	200,000
East Lancashire Fund	131,805	(4,621)	-	127,184
Pension reserve	-	-	182,000	182,000
	<u>1,002,376</u>	<u>(49,394)</u>	<u>11,512</u>	<u>964,494</u>
Restricted Funds				
Ministerial Emergency Fund	4,561	(17)	-	4,544
Merseyside Fund	59,160	-	(11,512)	47,648
	<u>63,721</u>	<u>(17)</u>	<u>(11,512)</u>	<u>52,192</u>
TOTAL FUNDS	<u>1,066,097</u>	<u>(49,411)</u>	<u>-</u>	<u>1,016,686</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2017

15. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General Fund	295,330	(338,067)	(2,036)	(44,773)
East Lancashire Fund	131	(1,622)	(3,130)	(4,621)
	<u>295,461</u>	<u>(339,689)</u>	<u>(5,166)</u>	<u>(49,394)</u>
Restricted funds				
Ministerial Emergency Fund	983	(1,000)	-	(17)
	<u>296,444</u>	<u>(340,689)</u>	<u>(5,166)</u>	<u>(49,411)</u>

16. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 December 2017, except as disclosed in Note 8.

17. ULTIMATE CONTROLLING PARTY

The Charity is under the control of the Trustees. The members of the company are various churches in the North West of England. There are no Persons of Significant Control.

18. BAPTIST MINISTERS PENSION FUND

The Association is an employer participating in the Baptist Pension Scheme (BPS). This is a separate legal entity administered by the Pension Trustee (Baptist Pension Trust Limited).

From January 2012, pension provision for two employees of the Association is being made through the Defined Contribution plan within the BPS. Other employees pension provision is with companies external to the BPS.

Benefits for one employee (2016: 2) in respect of service prior to 1st January 2012 are provided through the Defined Benefit (DB) Plan within the BPS. The main benefits; a defined benefit pension of 1/80th 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 BPS closed to future accrual of defined benefits on 31st December 2011.

The table below summarises the main results of the most recent actuarial valuation of the DB Plan in the BPS. This was performed by a professionally qualified Actuary using the Projected Unit Method.

Date of valuation	31 December 2016
Date of next valuation	31 December 2019
Market value of scheme assets (A)	£219m
Technical provisions (B)	£312m
Deficit (A-B)	£93m
Funding level (A/B)	70%

As a result of the valuation the standard rate of deficiency contributions payable by churches and other employers involved in the DB Plan was increased from 11% of pensionable Income to 12% from 1st January 2016. The recovery plan envisages deficiency contributions continuing until 31 December 2028.

As there are several contributing employers participating in the BPS the Association is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly the expenditure for the year represents the employer contributions payable.

Designated fund

At the year end date the BPS has calculated an estimated employer debt of the Association of £170,100 assuming cessation on that date. A designated fund has been established to cover this estimated debt.. The assumptions on which this calculation is based are not directly comparable with the above.