



# FINANCIAL STATEMENTS 2014

BAPTIST UNION OF GREAT BRITAIN

YEAR ENDED 31 DECEMBER 2014

# **Annual Report and Consolidated Financial Statements**

## **Baptist Union of Great Britain**

For the year ended 31 December 2014

## BAPTIST UNION OF GREAT BRITAIN

### INTRODUCTION

The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005.

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

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

## BAPTIST UNION OF GREAT BRITAIN

### SECTION 1 - WHO WE ARE

#### Registered Office

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

#### TRUSTEES

Mrs Jenny Royal (Moderator)  
Mr Malcolm Broad MBE (Treasurer)  
The Revd Barbara Carpenter  
Mrs Marion Fiddes  
The Revd Lynn Green (General Secretary)  
The Revd Dr Stephen Finamore  
Mr Rupert Hill  
The Revd Joe Kapolyo  
Mr John Levick  
The Revd Dr Claire McBeath  
The Revd Graham Ensor (appointed from 1 September 2014)  
Mrs Linda Hopkins (appointed from 1 September 2014)  
Dr David Goodbourn (up to 31 August 2014)  
The Revd Charmaine Howard (up to 31 August 2014)

#### BAPTIST STEERING GROUP

The Revd Alex Afriyie (up to December 2014)  
The Revd Geoff Andrews (appointed from January 2015)  
The Revd John Claydon (appointed from January 2015)  
The Revd Stuart Davison  
The Revd David Ellis  
The Revd Dr Rob Ellis  
Mrs Marion Fiddes  
The Revd Dr Paul Goodliff (up to September 2014)  
The Revd Lynn Green (General Secretary)  
The Revd Paul Hills (up to December 2014)  
The Revd Andy Hughes (appointed from February 2015)  
The Revd Phil Jump (up to December 2014)  
The Revd Stephen Keyworth  
The Revd Richard Lewis (appointed from January 2015)  
Mr David Locke  
Mr Richard Nicholls  
The Revd Grenville Overton  
The Revd Dianne Tidball

#### BANKERS

HSBC  
186 Broadway Didcot  
Oxfordshire OX11 8RP

#### AUDITORS

Wilkins Kennedy LLP  
Bridge House  
London Bridge  
London  
SE1 9QR

#### SOLICITORS

Anthony Collins Solicitors LLP  
134 Edmund Street  
Birmingham  
B3 2ES

**BAPTIST UNION OF GREAT BRITAIN**

**SECTION 1 – WHO WE ARE (continued)**

**SURVEYORS**

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

**INVESTMENT MANAGERS**

Schroders Investment Management Limited  
12 Moorgate  
London  
EC2R 6DA

## **SECTION 2 - HOW WE DO THINGS**

### **1 The Union**

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

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

### **2 The Trustees**

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

The Trustees are usually familiar with many aspects of the Union's work prior to appointment, and receive an induction into the work of the Union by meeting Senior Staff and being advised of the general nature of their work, as well as receiving financial statements, The Leadership and Governance Report and other relevant documentation. Trustees are provided with a copy of the Charity Commissions publication CC3, The Essential Trustee, and receive formal training on financial matters as appropriate. Further training for trustees was carried out during 2014.

The Trustees, in accordance with law and good practice oversee the legal, financial, charitable and strategic life of the Union. The Baptist Steering Group (BSG) acts as a key location of organisational leadership and coordination, with a major focus on managing implementation. The BSG reports to Trustees, and with Council, are instrumental in shaping the strategy of the Union, subject to any directions of the Assembly. Trustees oversee its implementation. To help the Board with governance of the charity, in 2013 a new Finance & Audit Committee was established to replace the existing Finance Committee with new Terms of Reference approved by the Trustees. The existing Investments Committee was restructured during 2014 and renamed as the Pension Investments Committee to deal exclusively with funds under management for the Baptist Pension Scheme. The investments held by the Union are now being monitored by the new Finance & Audit Committee

Our Trustees are unpaid, except one detailed in note 10, and details of Trustees expenses are also disclosed in note 10 to the consolidated financial statements.

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

### **3 Trustees' Responsibilities**

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

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

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

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

### **3 Trustees' Responsibilities (continued)**

In so far as the Trustees are aware:

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

### **4 Related Organisations and Companies**

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

The Union is involved in a number of subsidiary companies and societies as detailed below. Details of how these have been dealt with in the consolidated financial statements are set out in note 12.

1. Baptist Union Corporation Ltd: This is a registered Charity, Company limited by guarantee. The Members of the Baptist Union Corporation are the persons who also serve as Trustees of the Baptist Union of Great Britain. To hold as custodian trustee the property deeds and investments of Baptist churches in trust with the Company, together with trust funds in cash which are included in note 10. Arrangements are in place to segregate assets held in trust from the company's own assets. This is the first year of full consolidation. The previous year has not been reinstated for comparison.
2. The Baptist Times Limited: The Baptist Union of Great Britain holds 100% of the issued share capital and appoints the directors of the Baptist Times Limited, which published the weekly Baptist Times Newspaper. The company ceased to publish the paper in January 2012 because of continuing losses and is now a dormant company.
3. The Retired Baptist Ministers' Housing Society: This is a Society registered under the Industrial and Provident Societies Act 1965 and the Friendly and Industrial Provident Societies Act 1968 and is an exempt charity. The Baptist Union of Great Britain Council appoints the Members of this Society, which provides housing for retired Baptist Minister and their spouses. The Society's accounts are separate from other Union Funds owing to the fact that they are ring fenced for the purpose of complying with the conditions under which its moneys have been received. Although they are separate from the Union Finances, for the purpose of preparing Consolidated Accounts, the Society's accounts are accounted for in the nature of a Restricted Fund within the Union's Consolidated Financial Statements. It is further noted that the purpose to which the Society's funds can be applied cannot be varied until its primary purpose is no longer needed and appropriate permissions from the Charity Commission have been obtained.
4. The Baptist Holiday Fellowship Limited: The Baptist Union of Great Britain holds 96% of the issued share capital and appoints the directors of this charitable company which makes grants available for holidays for Baptists.
5. The Joint Venture: The Baptist Union of Great Britain appoints half of the Committee of the Joint Venture, which is a partnership with BMS World Mission which operates Baptist House Dicot for the Union and BMS World Mission.
6. Baptist House Limited: The Baptist Union of Great Britain is one of the two members of this company Limited by Guarantee, which provides conference facilities and office letting facilities for local businesses.
7. The Baptist Assembly Limited: This is a charitable company Limited by Guarantee. The Baptist Union of Great Britain is one of two members and appoints half the directors of this company which manages the holding of an Annual Assembly jointly between the Union and BMS World Mission. The Union's share of the results for the year to 31 August 2014 are included in the consolidated financial statements. Since the Baptist Assembly takes place in May each year, the figures would not have been materially different if the year-end had been coterminous with the Union.

### **5 Risk Management**

All significant activities undertaken are subject to a risk review. Major risks are identified and ranked in terms of their potential impact and likelihood. Major risks for this purpose are: (i) Child Protection and Vulnerable Adults- following the Jimmy Saville case there is an increased focus on this area. (ii) Potential mishandling of sexuality (iii) diversity issues and (iv) the potential inability of the Union to meet Pension liabilities. The Pension scheme deficit is estimated at £112m at the end of 2014. BUGB's share is greater than £6.5m, as at 31 December 2014. A triennial valuation is scheduled to be completed at the end of 2016. Regular monitoring and review is in place.

## BAPTIST UNION OF GREAT BRITAIN

### SECTION 3 - WHAT WE SET OUT TO DO

#### 1 Objects

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

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

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

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

#### 2 Public Benefit

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

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

Through 2014 the Union continued to support its member churches and the regional Associations in a wide range of activities including:

- Communication, including the provision of religious and other material via the Union's website, [www.baptist.org.uk](http://www.baptist.org.uk)
- Website providing substantial support for churches, church leaders in a wide range of areas including finance and property matters
- Promoting the study of religious teachings and practices and scriptures
- Support of religious office holders for acting as such, e.g. Regional Ministers
- Promoting prayer, praise and study
- Support for ecumenical and inter-faith churches
- Pastoral support to ministers
- Contributing to the spiritual and moral education of children
- Grants made to churches and special ministries who cannot afford full-time ministry themselves
- Provide a forum for issues of Social Justice and Public Issues

Throughout this report further detail and information is to be found about specific initiatives in 2014 and how they relate to the overall Strategy of the Union.

#### 3 Strategy

Whilst the objects of the Union continue much unchanged from year to year, the work of the Union to achieve these is reviewed periodically to ensure there is effective and appropriate provision and support for Ministers of Religion, other church leaders and the Churches, Associations and Colleges. The 'Futures Review', conducted during 2012 and 2013 is now being implemented and the strategy of the Union arises out of that. The overall Strategy is encapsulated in the phrase: 'Growing healthy churches in relationship for God's mission'. In order to do this we believe that we must intentionally develop a Union that encourages, and builds upon our relationships together as more than 2000 churches, 13 Associations and 7 Colleges and have developed a new logo of Baptists Together to reflect this. We continue to develop relationships with other Baptist organisations in the UK through Federation of Baptists in Britain and Ireland, with Europe through the European Baptist Federation, and the world through the Baptist World Association.

The overarching Vision for our movement is identified in three areas:

- Renewing and supporting God's church
- Equipping his people
- Enabling Mission

and priorities in each of these areas have been identified for 2015 and beyond.



### 3 Strategy (continued)

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

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

In the light of this vision and culture, strategic goals have been identified for the next five year period and these are summarised below:

By 2020 it is hoped that:

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

### 4 Grants

Each Baptist church is an autonomous charity, and therefore self-financing. However, through a large part of the Home Mission Fund, grants are made available to local churches and Associations to enable them to have appropriately paid and trained Ministry. These grants are assessed annually, and emphasis is placed not just on each church's finances but also its plans and achievement in making Jesus known in its locality. The authority to make and approve grants was delegated to Associations in 2013 and made effective in 2014.

### 5 Subsidiary Entities

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

### 6 Volunteers

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

## BAPTIST UNION OF GREAT BRITAIN

### SECTION 4 - WHAT WE HAVE DONE SO FAR

As we seek to meet our object of the advancement of Christian Faith and its Practice, we engage with the community through over 2,000 churches, we have approximately 135,000 members and contact with approximately 1/3 million people. In 2014 approximately 40 (2013: 50) ministers completed formal training in our colleges and many others throughout the Associations, completed lay training in religious studies and theology, youth and children's work, lay leadership training, Treasurer and Trustee training.

The Baptist Union of Great Britain plays its full part in the wider church, offering the distinctive insights that reflect our Baptist way of being church and continuing the strengthening of Baptist witness throughout the world, and this is reflected in the spend on ecumenical matters. The call of the gospel is to work for freedom, peace and justice, and we believe that this is part of what it means to be a missionary people today. So working collaboratively with ecumenical partners and agencies, we enable Baptists to be active, involved in creating a movement for change in our world. One example of this is our contribution to the Joint Public Issues team, a Baptist, a Methodist and United Reform Church collaboration which provides resources and speaks out on issues of justice, social affairs, peace-making, international affairs and the environment.

Most of the Union's income is raised for its member churches on a voluntary basis. However, the Union has set a goal in this respect for every church to give at least 5% of its General Income to the Home Mission Appeal. This compares to the current level of giving of around 3%. In 2014, the Union Trustees set an appeal figure of £4.1m (2013: £4.1m) to which they asked member churches to contribute. The actual amount raised, and included within voluntary income, was £3.95m (2013: £3.95m) which was over 96% of target, and which the Trustees considered was a good response given the national financial climate during the year.

The thirteen Regional Associations account for £1.87m (2013: 1.89m) of the Union expenditure. Each Regional Association has a small team of Regional Ministers and Administrative staff, who support the local churches pastorally, advise on mission and practical matters, and organise training events. The trustees have established a sub group to review the formula for the Funding of Associations, as laid down in the Union Bye-Laws, and the proposals for 2015 to 2017 were confirmed and agreed in 2014.

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

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

The Retired Baptist Ministers' Housing Association (RBHMS) has again had sufficient resources to house all 17 (2013: 15) qualifying applicants for assistance in 2014. As at 30<sup>th</sup> September 2013, RBHMS owned 230 properties (2013:229) and manages a further 9 on behalf of other charities. The number of applicants to the Society shows little sign of decreasing, and the Society continues to have capital funding by means of loans financed from the Baptist Union Loan Fund, the London Baptist Property Board and HSBC Bank plc.

The Baptist Holiday Fellowship continued to make grants to other Baptist charities in accordance with its objectives of advancing Christianity and assisting Baptist Ministers in need to have holidays free of charge or at a reduced cost.

The Joint Venture of the Baptist Union of Great Britain and BMS World Mission continued to run the facilities at Baptist House used by the two organisations. During 2012 a full structural review of the building was completed, and an ongoing programme of maintenance continues. Financed by further capital from the Union and BMS World Mission, Solar panels were installed on the roof of Baptist House in 2012 and this has since produced a good return on investment.

The Baptist Assembly Limited organised the Baptist Assembly in West Bromwich in May 2014 with the theme "Higher, Deeper, Wider". The 2015 Assembly will be in Peterborough.

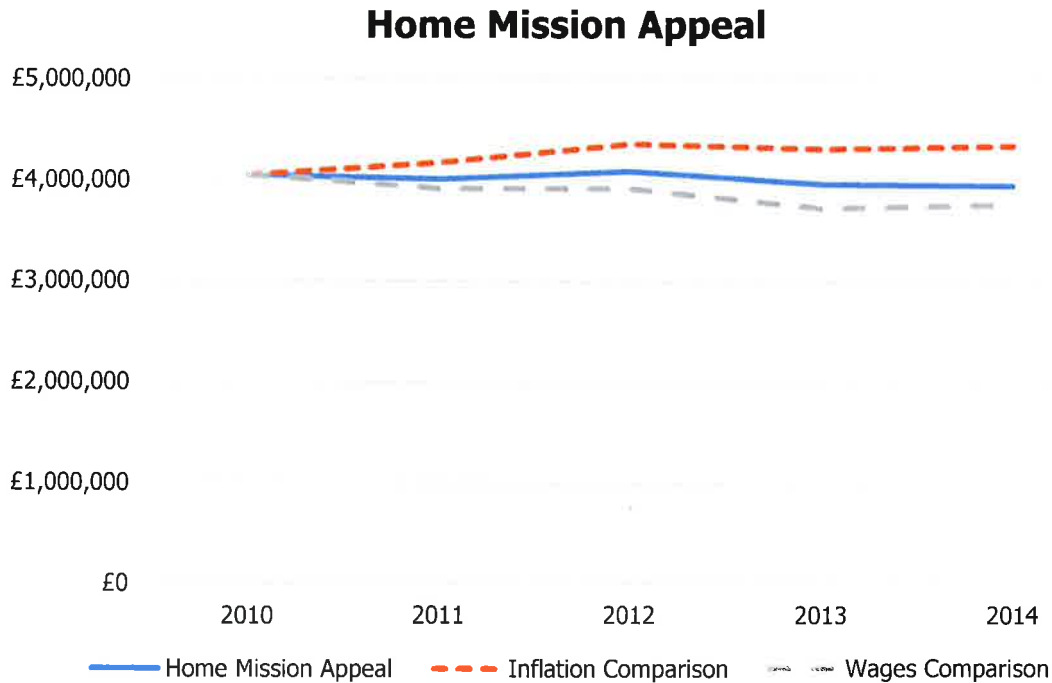
Baptist House Limited continued to make a small contribution towards the overall cost of Baptist House by offering meeting accommodation to local groups and businesses.

The Baptist Union Corporation continues to provide services including loan and custodian trusteeship. In 2014, the company has made available £4.6m to 16 churches of which £1.37m was lent in connection with manses and £120k in connection with paying off pension deficits. All qualifying applications were met as required. The total loans outstanding reduced slightly from £13.9m to £12.02m

**SECTION 4- WHAT WE HAVE DONE SO FAR (continued)**

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

**Home Mission Appeal Graph**



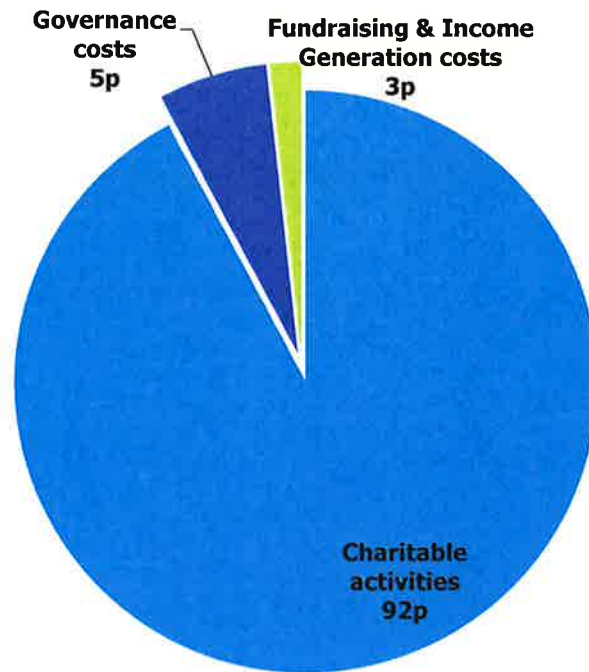
**Figure 1 – Home Mission appeal compared to inflation and wages**

In the graph above is shown the last five years of the home mission appeal compared to inflation (as measured by the government RPI measure) and wages (as per the ONS Average Weekly Earnings data). This shows that the Home Mission Appeal has not increased with RPI between 2010 and 2014 but when compared with earnings there is a closer correlation. When the impact of increases in price inflation upon our church members is factored in then we give thanks to God that the giving to Home Mission appeal has stayed relatively stable during this time.

**BAPTIST UNION OF GREAT BRITAIN**

**WHAT WE HAVE DONE SO FAR (continued)**

**Charity stewardship and efficiency graph**



**Figure 2 – Efficiency levels**

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

The expenditure figure on governance is at a relatively high level in 2014 due to the legal costs incurred with restructuring and also with essential safeguarding work.

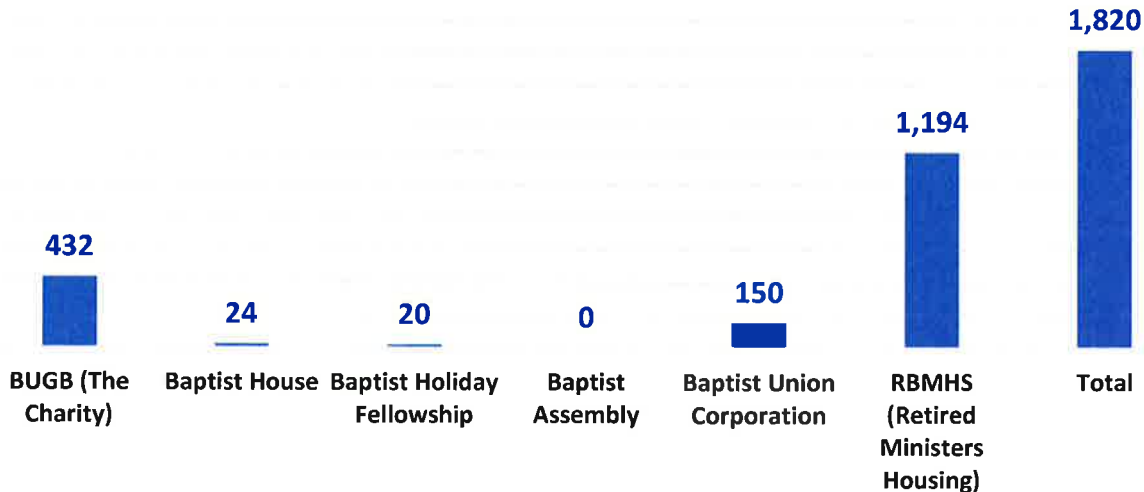
## BAPTIST UNION OF GREAT BRITAIN

### SECTION 5 - ABOUT OUR FINANCES

The consolidated results of the Union for the year showed net incoming resources of £1,82m (2013: £1.66m) and benefited from an overall increase in the market value of investments of £1,07m (2013: increase £854k). The main charity had an operating surplus in its unrestricted fund known as the Home Mission Fund of £498k (2013: Surplus £147k) in the year and due to consolidation of BUC for the first time in 2014, the overall investment went down from £17.36m to £16.73m. After increases in the market value of investments and surpluses on the sale of property, an overall net surplus of £1.35m (2013: £998k) is reported.

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

### Operating Contribution (pre Investment gains and losses)



**Figure 3 - Contribution by entity for 2014**

The statement of Financial Activities shows that 92% (2013: 95%) of the expenditure was directly on the furtherance of the Charity's objects, with comparatively small amounts expended on both fundraising and governance. In 2014, governance costs increase by approximately £99K largely attributable to an increase in legal fees and safeguarding costs.

#### **Investments**

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

The Trustees have delegated the detailed monitoring of the portfolio to the Finance & Audit Committee of the Baptist Union of Great Britain. The investments are managed within ethical guidelines set down by the Council of the Baptist Union of Great Britain. Within the investment strategy, the investment managers have discretion over particular investments. Details of the investments are set out in note 8 to the financial statements.

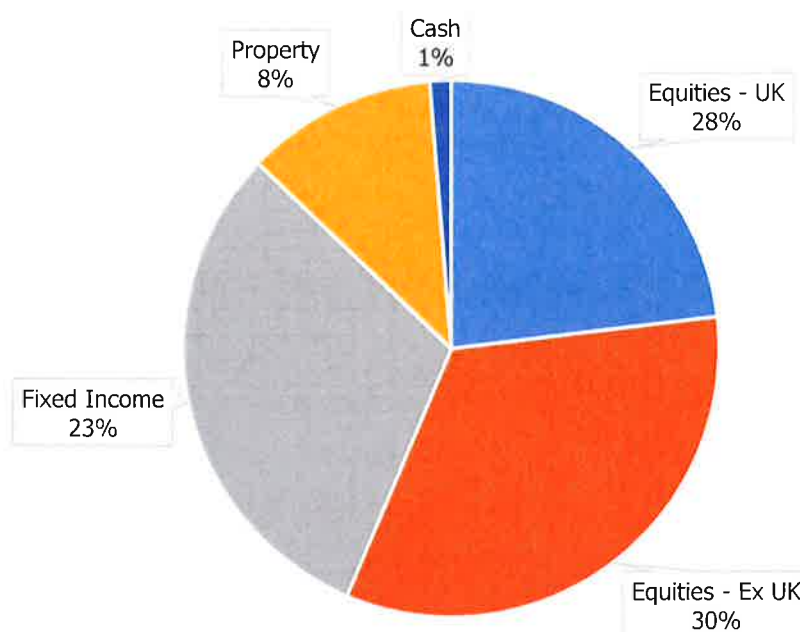
During the year the Directors reviewed the investment strategy and after a retendering exercise changed investment managers from Sarasin and Partners LLP to Schroder & Co. Limited, trading as Cazenove Capital Management. RLAM remain the bond managers but this bond allocation is delegated to Schroder as part of their management of a single overall portfolio. The transition in portfolios took place over Q1 2014 with the new benchmark in place from 1 April 2014. The performance of the new investment managers was 6.1% versus 7.9% for the nine months ending 31 December 2014. The target for investment income is 4.0% per annum. Performance can be summarised as:

<i>Performance from 1 April 2014 to 31 Dec 2014</i>	<b>Portfolio</b>	<b>Benchmark</b>	<b>Relative</b>
<b>Baptist Union General Funds</b>	<b>6.4</b>	<b>8.8</b>	<b>-2.4%</b>

The Finance & Audit Committee has set a benchmark for Schroders made up of 27.5% of the return on the FTSE All Share Index, 27.5% of the return on the MSCI World ex UK Index, 10% of the return on the FTSE Actuaries British Government All Stocks Index, 25% of the iboxx Sterling (£) Non Gilt All Maturities index and 10% of the IPD property (UK) index. The actual asset allocation position at the end of December 2014 is shown below:

## BAPTIST UNION OF GREAT BRITAIN

### ABOUT OUR FINANCES (continued)



**Figure 4 – Baptist Union General Fund Investment Portfolio Asset Allocation at 31 December 2014**

Overall, the Trustees are pleased that the transition in the portfolio has been handled well and the target income level of 4.0% of General Funds is being achieved.

At the latest update received from the investment manager it is pleasing to report that for the 12 months ending 6<sup>th</sup> March 2015 the General Funds returned a total return of 4.5% compared with a benchmark return of 3.4% which indicates outperformance of 1.1% against benchmark.

This positive performance was aided by the rally in global equities with which the portfolio was well positioned to benefit from.

The consolidated financial statements show how the Direct Charitable Expenditure is divided into various categories and a brief explanation of these is given below.

Over £2m (2013 £1.9m) was expended to a variety of different causes. Most of these grants £1.8m (£1.7m) are made to churches for the support of mission focused pastoral ministry. Other grants are made to support Chaplains, Ecumenical Officers and a wide range of mission-based ministries. Mission Project Grants are also given to encourage and enable Baptist churches to respond to the mission needs of their community as part of their on-going work and ministry.

The Ministries Team accounts for about £512K (2013 £470K) of the expenditure and supports all forms of recognised ministry amongst Baptist Union churches through all its stages.

The Faith and Society Team is tasked with the oversight of our communications portfolio as well as areas such as Ecumenical and Justice matters and accounts for £368K (2013 £369K) of expenditure.

#### *Policy on Reserves*

During the year the Trustees reviewed the reserves policy for BUGB (excluding RBMHS which has a separate policy). The policy is to ensure that the Union has sufficient free and available funds to meet at least 9 months of annual budgeted expenditure. In addition the Trustees consider it is prudent to provide for a further 6 months for funding grants to churches and associations. The latter is necessary because to stop a payment to a church or association involves a period of time to adjust.

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

	<b>£'000</b>
9 months expenditure	4,409
6 months grants & funding of associations expenditure	1,794
<b>Total Level of Reserves needed</b>	<b>6,203</b>

**BAPTIST UNION OF GREAT BRITAIN**

**SECTION 5 - ABOUT OUR FINANCES (continued)**

Cognisant of the Charity Commission requirements and particularly the Charities SORP, BUGB holds a number of unrestricted (including Designated) income funds which can be spent at the discretion of the Trustees in furtherance of the charity's objects. Trustees are expected to justify the holding of income as reserves though certain funds can be excluded. The Trustees carried out a review of Designated Funds in 2013 where some funds were released. In 2014 the Loan Fund Capital Fund was released due to the consolidation of the Baptist Union Corporation Limited within these accounts.

The table below sets out in more detail the reserves available and details of each fund can be found in Note 20.

	<b>Free Funds</b>	<b>Fixed Assets</b>	<b>Programme Related Investments</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
General Funds	6,907	-	-
Fixed Asset Reserve	-	3,127	-
Baptist House JV Investment	-	-	2,900
Newington Court	3,984	-	-
Student Training Capital	-	-	4,899
Baptist Strategy Building Scheme	-	-	336
Pensions Reserve	1,570	-	-
<b>Sub Total</b>	<b>11,262</b>	<b>3,127</b>	<b>8,135</b>
Less Reserves Needed	6,203		
Free Funds Available	<b>5,059</b>		
Baptist pension Scheme Deficit	6,500		
Net Free Funds Available	<b>(1,441)</b>		

**Figure 5 - Analysis of Reserves Policy**

BUGB has an estimated £6.5m (2013: £5.1m) deficit share of the Baptist Pension Scheme deficit of £112m at the end of 2014 which is currently being serviced with deficit contributions from BUGB in line with the recovery plan approved by the Pensions Regulator. When this deficit figure is subtracted as shown above the net free reserves equates to a shortfall of £239K in the Union's reserves, equivalent to 4% of the annual budgeted expenditure.

The Trustees are satisfied the reserves policy accords to the requirements of the Charities SORP and subject to the deficit share of the Baptist Pension Scheme demonstrates the charity's sustainability and capacity to manage unforeseen financial difficulties. During 2015 the Trustees will keep the policy under review.

## BAPTIST UNION OF GREAT BRITAIN

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

As reported previously on 12-14 November 2012 the Baptist Union Council, the governing body of the Baptist Union of Great Britain, agreed major reforms of the denomination's structures to strengthen the support it gives to local churches. This was known as the "Futures Review". Accordingly, and in line with these decisions in 2013, major structural changes were made and these continued in 2014.

During 2014, the final stages of the changes to the structures and the last of the redundancies were made. The new ways of working together with Associations and Colleges and the new Baptist Steering Group with its representatives from the wider family have all shaped our life together and has reinforced our new ways of being, as Baptists Together. The development of a new vision and culture in order to achieve our objects has been developed and details of this have been given in Section 3.

During the year a new Website has been developed, and a new style publication *Baptists Together*, a new Database and the start of plans to roll this out to Associations, Also during the year a number of major reviews have been set up to look at our Safeguarding Policies, income development and Association longer-term sustainability.

### PLANS FOR FUTURE PERIODS

Moving into 2015, BSG and the Council will further develop our 5 year strategic plan and work from all positions of leadership, will continue to emphasise our working as Baptists Together and to make known our Vision and Culture.

Our commitment to mission as Baptists Together is being expressed through drawing together an overall picture of the "health" of our church which is being led by the newly formed Baptists Together Mission Forum.

The review of Ministries which will include the review of Selection, Formation, funding and Continuing Ministerial Development will report this year and implementation plans put in place. Plans for reviewing past Safeguarding files are also in place and new pay policies will be developed towards the end of the year.

Our Home Mission funding will continue to support our churches' mission in areas that would otherwise be within a Baptist presence whilst a project, Loaves and Fishes, will explore new ways of achieving a sustainable income stream.

We are exploring ways of supporting the Pioneer Collective, which seeks to identify and release 400 Baptist Pioneers in the next five years, and will continue to signpost people to the Equipped to Pioneer training platform launched in 2013. We hope to strengthen our work with the Joint Public Issues Team with a further appointment.

As well as new innovative approaches to mission and our commitment to justice the Union is also keen to continue to have at its heart a commitment to prayer, to keep the local church at the centre of decisions, to continue to "break new ground" and to bring the gospel to a new generation.

J Royal  
Moderator of the Trustee Board





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

We have audited the financial statements of the Baptist Union of Great Britain for the year ended 31 December 2014 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Parent Charity Balance Sheet, the Consolidated Cashflow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) This report is made solely to the company's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's member as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of Trustees and Auditors**

As explained more fully in the Trustees' Responsibilities Statement set out on page three, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under section 14 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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

**Scope of the audit and financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the impact for our report.

**Opinion on financial statements**

In our opinion the financial statements:

- Give a true and fair value of the state of the group and charity's affairs as at 31 December 2014 and of its incoming resources and application of resources for the year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- Have been prepared in accordance with the requirements of the Charities Act 2011

**Matters on which we are required to report by exception**

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

- The information given in the Trustees' Report is inconsistent in any material respect with the financial statements; or
- Sufficient accounting records have not been kept; or
- The Consolidated Financial Statements are not in agreement with the accounting records and returns; or
- We have not received all the information and explanations we require for our audit.



Wilkins Kennedy LLP  
Statutory Auditors and Chartered Accountants

Bridge House  
London Bridge  
London SE1 9QR

Date: 24 May 2015

**BAPTIST UNION OF GREAT BRITAIN**

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES YEAR END 31 DECEMBER 2014**

	Notes	Unrestricted £'000	Designated £'000	Restricted £'000	Endowment £'000	<b>Total 2014 £'000</b>	Total 2013 £'000
<b>Incoming Resources</b>							
Incoming resources from generated funds							
Voluntary Income	2	5,076	-	668	-	5,744	6,042
Investment Income	3	497	254	23	26	800	694
Incoming resources from charitable activities	4	1,035	-	476	-	1,511	976
Other Incoming Resources	5	505	201	485	-	1,191	558
Less share of gross incoming resources from Joint Venture		(23)	-	-	-	(23)	(15)
<b>Total incoming resources</b>		<b>7,090</b>	<b>455</b>	<b>1,652</b>	<b>26</b>	<b>9,223</b>	<b>8,255</b>
<b>Resources Expended</b>							
Costs of generating finds							
Costs of generating voluntary income	6	193	21	2	3	219	18
Charitable Activities	7	6,034	382	421	-	6,837	6,329
Governance Costs	8	337	-	9	-	346	251
<b>Total resources expended</b>	9	<b>6,564</b>	<b>403</b>	<b>432</b>	<b>3</b>	<b>7,402</b>	<b>6,598</b>
Net incoming resources before transfers		526	52	1,220	23	1,821	1,657
Transfers between funds	19	48	(22)	-	(26)	-	-
<b>Net incoming/(outgoing) resources before other recognised gains and losses</b>		<b>574</b>	<b>30</b>	<b>1,220</b>	<b>(3)</b>	<b>1,821</b>	<b>1,657</b>
Net Interest in the result of the year from Joint Venture		2	-	-	-	2	-
Other recognised gains	12	346	644	35	41	1,066	854
<b>Net movement in funds</b>		<b>922</b>	<b>674</b>	<b>1,255</b>	<b>38</b>	<b>2,889</b>	<b>2,511</b>
Balances at 1 January 2014		6,559	22,351	25,572	903	55,385	52,874
Reserves Reconciliations	12	9,015	(6,154)	488	-	3,349	-
<b>Balances at 31 January 2014</b>		<b>16,496</b>	<b>16,871</b>	<b>27,315</b>	<b>941</b>	<b>61,623</b>	<b>55,385</b>

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, with exception of consolidation of Baptist Union Corporation.

The notes on page 19 - 30 form an integral part of these financial statements.

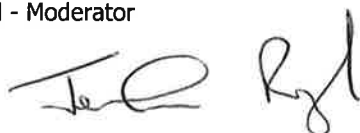
**BAPTIST UNION OF GREAT BRITAIN**

**CONSOLIDATED BALANCE SHEET AT 31 DECEMBER 2014**

	<b>Notes</b>	<b>2014 £'000</b>	<b>2013 £,000</b>
<b>FIXED ASSETS</b>			
Tangible Fixed assets	11	34,808	32,642
Investments	12	<u>16,733</u>	<u>17,360</u>
		51,541	50,002
 <b>CURRENT ASSETS</b>			
Stocks		14	15
Debtors	13	988	1,686
Loans	14	12,378	360
Cash and Bank	15	<u>24,209</u>	<u>6,498</u>
		37,589	8,559
 <b>CURRENT LIABILITIES</b>			
Creditors:			
Amounts falling due within one year	16	<u>27,507</u>	<u>3,176</u>
<b>NET CURRENT ASSETS</b>		10,082	5,383
<b>NET ASSETS</b>		<u><b>61,623</b></u>	<u><b>55,385</b></u>
 <b>ENDOWMENT FUNDS</b>			
	17	941	903
<b>RESTRICTED FUNDS</b>			
	18	27,315	25,572
<b>DESIGNATED FUNDS</b>			
	19	16,871	22,351
<b>UNRESTRICTED FUNDS</b>			
	20	16,496	6,559
<b>Total</b>		<u><b>61,623</b></u>	<u><b>55,385</b></u>

The financial statements were approved by the Trustees on 30 April 2015 and signed on their behalf by

Jenny Royal - Moderator



Malcolm Broad MBE - Treasurer



The notes on pages 19 - 30 form an integral part of these financial statements.

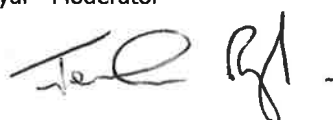
**BAPTIST UNION OF GREAT BRITAIN**

**BALANCE SHEET AT 31 DECEMBER 2014**

	<b>Notes</b>	<b>2014</b> <b>£'000</b>	<b>2013</b> <b>£'000</b>
<b>FIXED ASSETS</b>			
Tangible fixed assets	11	3,212	3,183
Investments	12	21,587	20,275
		<u>24,799</u>	<u>23,458</u>
 <b>CURRENT ASSETS</b>			
Stocks		14	14
Debtors	13	808	833
Loans	14	358	360
Cash and Bank	15	6,005	5,962
		<u>7,185</u>	<u>7,169</u>
 <b>CURRENT LIABILITIES</b>			
Creditors amounts falling due within one year	16	271	261
<b>NET CURRENT ASSETS</b>		6,914	6,908
 <b>NET ASSETS</b>			
		<u><b>31,713</b></u>	<u><b>30,366</b></u>
 <b>ENDOWMENT FUNDS</b>			
	17	941	903
 <b>RESTRICTED FUNDS</b>			
	18	840	780
 <b>DESIGNATED FUNDS</b>			
	19	23,025	22,351
 <b>UNRESTRICTED FUNDS</b>			
	20	6,907	6,332
		<u><b>31,713</b></u>	<u><b>30,366</b></u>

The financial statements were approved by the trustees on 30 April 2015 and signed on their behalf by

Jenny Royal - Moderator



Malcolm Broad MBE - Treasurer



The notes on pages 19-31 form an integral part of these financial statements.

**BAPTIST UNION OF GREAT BRITAIN**

**CONSOLIDATED CASH FLOW STATEMENT**

**YEAR ENDED 31 DECEMBER 2014**

	<b>2014</b>	<b>2013</b>
	<b>£'000</b>	<b>£'000</b>
<b>RECONCILIATION OF CHANGES IN RESOURCES TO NET CASH INFLOW FROM OPERATING ACTIVITIES</b>		
Net Incoming Resources for the Year	1,821	1,657
Depreciation Charges	37	16
Loss on disposal of tangible fixed assets	(744)	(378)
Decrease/(increase) in stocks	1	(8)
Decrease/(Increase) in debtors	698	(974)
(Increase)/ decrease in loans	(12,018)	937
Increase/(decrease) in creditors	24,331	(91)
<b>Net Cash inflow from Operating Activities</b>	<b>14,126</b>	<b>1,159</b>
 <b>CASH FLOW STATEMENT</b>		
Net cash inflow from operating activities	14,126	1,159
Payments to acquire tangible fixed assets	(2,959)	(2,444)
Receipts from sale of tangible fixed assets	1,497	1,661
Payments to acquire investments	(12,831)	(245)
Receipts from sale of investments proceeds	17,878	297
<b>Net Cash Inflow in the Year</b>	<b>17,711</b>	<b>428</b>
 <b>CASH AND BANK BALANCES</b>		
1 January 2014	6,498	6,070
31 December 2014	24,209	6,498
<b>Net Cash Inflow in the Year</b>	<b>17,711</b>	<b>428</b>

The notes on pages 19-30 form an integral part of these financial statements.

## BAPTIST UNION OF GREAT BRITAIN

### Notes to the financial statements

#### 1 ACCOUNTING POLICIES

The following accounting policies have been used consistently in dealing with items which are considered material in the Charity's financial statements and in accordance with applicable accounting standards.

##### 1.1 Basis of Accounting

The financial statements have been prepared in accordance with the Charity Statement of Recommended Practice 'Accounting and Reporting by Charities' (SORP 2005) and under the historical cost convention except for investments which are included at market value. They incorporate the results of the principal activity which is the advancement of the Christian faith and practice, especially by the means of and in accordance with the principles of the Baptist Denomination, and which is continuing.

##### 1.2 Basis of Consolidation

Where control is exercised by the parent charity over another entity, those entities are consolidated as subsidiaries on a line by line basis in accordance with FRS2 and the SORP.

Details of these entities are given in note 12 to the financial statements.

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

Details of this interest is also given in note 12 to the consolidated financial statements.

##### 1.3 Fund Accounting

###### Unrestricted Funds

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

###### Designated Funds

These represent amounts set aside by the Union for specific purposes as set out in note 19. 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 18.

###### Endowment Funds

These represent amounts which are restricted for specific purposes but where the capital is not expendable.

##### 1.4 Incoming Resources

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.

Investment income is accounted for in the year which it is receivable.

##### 1.5 Resources Expended

Costs of generating voluntary income represents publicity material and promotion of the Union and the Home Mission Fund. Direct charitable expenditure represents expenditure in the furtherance of the object of the Union.

Governance costs are the costs which relate to the general running and strategy of the charity, in distinction to those costs related to charitable activity.

Grants payable are agreed on an annual basis and accounted for in the year in which they are paid.

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.

##### 1.6 Depreciation

No depreciation is charged on freehold properties required under Financial Reporting Standard 15, as the Trustees consider that any charge would be immaterial. In the opinion of the Trustees the residual values of these properties is in excess of their carrying value in the financial statements.

As expected useful economic life of these assets is believed to be in excess of 50 years, annual impairment reviews are undertaken by the Trustees at each balance sheet date. These reviews involve assessing current property market conditions and their impact on the estimated market values of the Union's properties. Any material deficit between the anticipated recoverable amount of freehold property and its cost is recognised in the statement of financial activities.

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

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

## BAPTIST UNION OF GREAT BRITAIN

### Notes to the financial statements

#### 1 ACCOUNTING POLICIES (continued)

##### 1.7 Stocks

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

##### 1.8 Investment assets

Quoted investments are stated at market value. All other investments are shown at cost.

##### a. Realised and unrealised gains and losses

All realised gains and losses on quoted investments are recognised in the financial statements.

##### b. Pensions

The cost of providing retirement pensions is charged to the statement of financial activities over the periods benefiting for the employees' services. The difference, if any, between the charge to the statement of financial activities and the contributions paid to the schemes is shown as an asset or as a provision for liability in the balance sheet as appropriate.

#### 2 VOLUNTARY INCOME

	Unrestricted Funds £'000	Designated Funds £'000	Restricted Funds £'000	Endowment Funds £'000	2014 £'000	2013 £'000
Donations	3,945	-	42	-	3,987	3,985
Legacies	728	-	626	-	1,354	1,593
Subscriptions	392	-	-	-	392	383
Gifts from other Baptist Constituents	11	-	-	-	11	81
<b>Total</b>	<b>5,076</b>	<b>-</b>	<b>668</b>	<b>-</b>	<b>5,744</b>	<b>6,042</b>

#### 3 INVESTMENT INCOME

	Unrestricted Funds £'000	Designated Funds £'000	Restricted Funds £'000	Endowment Funds £'000	2014 £'000	2013 £'000
UK Listed Bonds	84	93	8	8	193	332
UK Listed Equities	55	59	5	6	125	82
Overseas Equities	42	54	8	11	115	-
UK Property Unit Trusts	41	16	1	1	59	62
Return on investment in Baptist Union Corporation	-	-	-	-	-	153
Interest on Cash Deposits	275	32	1	-	308	65
<b>Total</b>	<b>497</b>	<b>254</b>	<b>23</b>	<b>26</b>	<b>800</b>	<b>694</b>

#### 4 INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted Funds £'000	Designated Funds £'000	Restricted Funds £'000	Endowment Funds £'000	2014 £'000	2013 £'000
Trading Income	1,035	-	476	-	1,511	976
<b>Total</b>	<b>1,035</b>	<b>-</b>	<b>476</b>	<b>-</b>	<b>1,511</b>	<b>976</b>

**BAPTIST UNION OF GREAT BRITAIN**

**Notes to the financial statements**

**5 OTHER INCOME RESOURCES**

	<b>Unrestricted Funds £'000</b>	<b>Designated Funds £'000</b>	<b>Restricted Funds £'000</b>	<b>Endowment Funds £'000</b>	<b>2014 £'000</b>	<b>2013 £'000</b>
Profit on sale of properties	261	-	485	-	746	414
Repayment from BSBS loan	244				244	
Funds received from Ultimate Trusts		201	-	-	201	144
<b>Total</b>	<b>505</b>	<b>201</b>	<b>485</b>	<b>-</b>	<b>1,191</b>	<b>558</b>

**6 COST OF GENERATING FUNDS**

	<b>Unrestricted Funds £'000</b>	<b>Designated Funds £'000</b>	<b>Restricted Funds £'000</b>	<b>Endowment Funds £'000</b>	<b>2014 £'000</b>	<b>2013 £'000</b>
General voluntary income	10	-	-	-	10	26
Interest payable	162	-	-	-	162	-
Investment Management	21	21	2	3	47	(8)
<b>Total</b>	<b>193</b>	<b>21</b>	<b>2</b>	<b>3</b>	<b>219</b>	<b>18</b>

**7 CHARITABLE ACTIVITIES**

	<b>Unrestricted Funds £'000</b>	<b>Designated Funds £'000</b>	<b>Restricted Funds £'000</b>	<b>Endowment Funds £'000</b>	<b>2014 £'000</b>	<b>2013 £'000</b>
Grants Payable	1,808	132	-	-	1,940	2,048
Associations	1,871	-	-	-	1,871	1,890
Faith and Society	368	-	-	-	368	369
Ministries	512	-	-	-	512	470
Advice and Information	725	6	-	-	731	666
Redundancies	45	-	-	-	45	-
Ecumenical	168	-	-	-	168	157
Training	87	244	-	-	331	284
Holidays	19	-	-	-	19	20
Retirement Housing	-	-	414	-	414	395
Benevolent Funds	-	-	7	-	7	30
Baptist Union Corporation Ltd	431	-	-	-	431	-
<b>Total</b>	<b>6,034</b>	<b>382</b>	<b>421</b>	<b>-</b>	<b>6,837</b>	<b>6,329</b>



**BAPTIST UNION OF GREAT BRITAIN**

**Notes to the financial statements**

**8 GOVERNANCE COSTS**

	<b>Unrestricted Funds £'000</b>	<b>Designated Funds £'000</b>	<b>Restricted Funds £'000</b>	<b>Endowment Funds £'000</b>	<b>2014 £'000</b>	<b>2013 £'000</b>
Assembly	4	-	-	-	4	3
Council	20	-	-	-	20	37
Committees	7	-	-	-	7	6
Audit Fee	65	-	7	-	72	42
Legal Fees	108	-	2	-	110	47
Trustee Insurance	14	-	-	-	14	5
Salaries	50	-	-	-	50	51
Futures	20	-	-	-	20	21
Office Costs	19	-	-	-	19	16
Support Costs	30	-	-	-	30	23
<b>Total</b>	<b>337</b>	<b>-</b>	<b>9</b>	<b>-</b>	<b>346</b>	<b>251</b>

**9 TOTAL RESOURCES EXPENDED**

	<b>Direct Charitable £'000</b>	<b>Grant Funding £'000</b>	<b>Support Costs £'000</b>	<b>2014 £'000</b>	<b>2013 £'000</b>
Grants payable ( see note 21)	-	1,940	-	1,940	2,048
Associations	1,871	-	-	1,871	1,890
Faith and Society	299	-	69	368	369
Ministry	392	-	119	511	470
Advice and information	619	-	113	732	666
Redundancies	45	-	-	45	-
Ecumenical	132	-	36	168	157
Training	331	-	-	331	284
Holidays	19	-	-	19	20
Retirement Housing	414	-	-	414	395
Benevolent Funds	7	-	-	7	30
BUC	431	-	-	431	-
<b>Total</b>	<b>4,560</b>	<b>1,940</b>	<b>337</b>	<b>6,837</b>	<b>6,329</b>
Cost of Generating Funds	216	-	3	219	18
Governance	259	-	87	346	251
<b>Total</b>	<b>5,035</b>	<b>1,940</b>	<b>427</b>	<b>7,402</b>	<b>6,598</b>

**BAPTIST UNION OF GREAT BRITAIN**

**Notes to the financial statements**

**10 EMPLOYEES AND TRUSTEES**

	<b>Consolidated</b>		<b>Charity</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Staff costs				
Salaries	1,090	989	982	888
Social Security Costs	90	89	86	86
Pension Costs	117	117	111	110
Other Costs	75	95	75	95
<b>Total</b>	<b>1,372</b>	<b>1,290</b>	<b>1,254</b>	<b>1,178</b>
Less Attributable to other Baptist entities	427	427	421	427
<b>Total</b>	<b>945</b>	<b>863</b>	<b>833</b>	<b>752</b>
Average number of employees during the year was	39	37	34	32

No employee received emoluments in excess of £60k during the year (2013: £60k).

Trust emoluments including pension contribution for one trustee (2013: one) amounted to £40k (2013: £43k).

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

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

A total of £6k was paid to 12 Trustees in reimbursement of travelling and subsistence expenses as Trustees (2013: £3k to 12 Trustees).

**11 TANGIBLE FIXED ASSETS**

<b>Consolidated</b>	<b>Freehold Properties</b>	<b>Computers and Equipment</b>	<b>Furniture and Fittings</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Cost				
1 January 2014	32,567	348	266	33,181
Additions	2,855	115	-	2,970
Disposals	(767)	-	-	(767)
<b>31 December 2014</b>	<b>34,655</b>	<b>463</b>	<b>266</b>	<b>35,384</b>
Depreciation				
1 January 2014	-	274	265	539
Charge for the year	-	36	1	37
<b>31 December 2014</b>	<b>-</b>	<b>310</b>	<b>266</b>	<b>576</b>
<b>Net Book Value</b>				
<b>31 December 2014</b>	<b>34,655</b>	<b>153</b>	<b>-</b>	<b>34,808</b>
<b>31 December 2013</b>	<b>32,567</b>	<b>74</b>	<b>1</b>	<b>32,642</b>

**BAPTIST UNION OF GREAT BRITAIN**

**Notes to the financial statements**

**11 TANGIBLE FIXED ASSETS (continued)**

<b>Charity</b>	<b>Freehold Properties £'000</b>	<b>Computers and Equipment £'000</b>	<b>Furniture and Fittings £'000</b>	<b>Total £'000</b>
Cost				
1 January 2014	3,182	86	266	3,534
Additions	108	108	-	216
Disposals	(163)	-	-	(163)
31 December 2014	<u>3,127</u>	<u>194</u>	<u>266</u>	<u>3,587</u>
Depreciation				
1 January 2014	-	86	265	351
Charge for the year	-	23	1	24
On disposals	-	-	-	-
31 December 2014	<u>-</u>	<u>109</u>	<u>266</u>	<u>375</u>
<b>Net Book Value</b>				
<b>31 December 2014</b>	<u><b>3,127</b></u>	<u><b>85</b></u>	<u><b>-</b></u>	<u><b>3,212</b></u>
<b>31 December 2013</b>	<u><b>3,182</b></u>	<u><b>-</b></u>	<u><b>1</b></u>	<u><b>3,183</b></u>

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

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

**12 INVESTMENTS**

<b>Consolidated</b>	<b>Quoted at Market Value £'000</b>	<b>Investment in Baptist Union Corporation (Note 12) £'000</b>	<b>2014 £'000</b>	<b>2013 £'000</b>
1 January 2014	11,424	5,950	17,374	16,552
Eliminated on Consolidation	-	(5,950)	(5,950)	-
Additions	12,831	-	12,831	245
Disposals	8,577	-	8,577	489
Realised and unrealised gains	1,067	-	1,067	1,066
31 December 2014	<u><b>16,745</b></u>	<u><b>-</b></u>	<u><b>16,745</b></u>	<u><b>17,374</b></u>
Less share of net losses in Joint venture			12	14
			<u><b>16,733</b></u>	<u><b>17,360</b></u>
Historical Cost of Investments			<u><b>10,351</b></u>	<u><b>16,301</b></u>

<b>Charity</b>	<b>Unquoted at Cost £'000</b>	<b>Quoted at Market Value £'000</b>	<b>Investment in Baptist Union Corporation £'000</b>	<b>2014 £'000</b>	<b>2013 £'000</b>
1 January 2014	2,917	11,408	5,950	20,275	19,443
Additions	-	9,042	-	9,042	245
Disposals	-	8,579	-	8,579	475
Realised and unrealised gains	-	645	204	849	1,062
31 December 2014	<u><b>2,917</b></u>	<u><b>12,516</b></u>	<u><b>6,154</b></u>	<u><b>21,587</b></u>	<u><b>20,275</b></u>
Historical cost of investments				<u><b>24,468</b></u>	<u><b>21,225</b></u>

The following investment exceed 5% of the total portfolio.

	<b>£'000</b>	<b>£'000</b>
Royal London Ethical Bond Fund	2,865	6,592
Sarasin Equisar- Socially Responsible (Sterling Hedged) B Income	-	2,852

Notes to the financial statements

12 INVESTMENTS (continued)

	2014 £'000	2013 £'000
Unquoted investments at cost 1 January 2014 and 31 December 2014		
Baptist Holiday Fellowship Limited	17	17
Joint Venture	2,900	2,900
Total	<u>2,917</u>	<u>2,917</u>

The unquoted investments represent 96% of the issued share capital of Baptist Holiday Fellowship Limited which provides holidays and 50% of the Joint Venture between the Baptist Missionary Society and the Baptist Union of Great Britain which owns and runs the premises at Baptist House.

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

The Baptist Union Corporation is a company limited by guarantee having been formed in 1890. The Directors are appointed by processes described in the Memorandum of Association and deal with governance and operational policy matters. However, the Members of the Baptist Union Corporation are the persons who also serve as Trustees of the Baptist Union of Great Britain. Consolidation of the company is required following a change in the governing document during 2014, a result of which is that the Baptist Union of Great Britain controls the Baptist Union Corporation.

The impact of the consolidation of the Baptist Union Corporation in the year ended 31 December 2014 is as follows:

	£'000
Investment in BUC (note 12)	5,950
BUGB restricted fund (note 18)	488
BUGB designated fund (note 19)	(6,154)
Inter-company adjustments	3,064
Reconciliation of reserves	<u>3,348</u>

The Baptist Union of Great Britain appoints the Directors of the Retired Baptist Ministers' Housing Society which is an Industrial and Provident Society registered in England, and which provides housing for Retired Baptist Ministers and their spouses. It has been consolidated on a line by line basis.

The Baptist Union of Great Britain appoints a majority of the Directors of Baptist Holiday Fellowship Limited, which makes grants available for holidays, and has been consolidated on a line by line basis.

The Baptist Union of Great Britain appoints half of the committee of the Joint Venture with BMS World Mission which operates Baptist House Didcot for the Union and BMS World Mission. The Union's share of the Joint Venture has been treated as a joint arrangement and accounted for as a branch.

The Baptist Union of Great Britain appoints half the Directors of The Baptist Assembly which runs the annual Baptist Assembly and the Union's share has been consolidated as a Joint Venture. While the year end is 31 August, since the event takes place annually in May the figures would not have been materially different if the year-end had been coterminous with the Union.

The latest available figures for each of the entities are as follows:

During the year ended 31 December 2014 Baptist Union Corporation Limited made a surplus of £85k (2013 surplus £158k) based on a turnover of £927k (2013 £1.03m). The company had capital and reserves of £9.48m (2013 £9.18m).

During the year ended 30 November 2014 the Baptist Holiday Fellowship made a profit of £20k (2013: profit £19k) based on a turnover of £41k (2013: £41k) and the company had accumulated reserves of £352k (2013: £331k).

During the year ended 31 October 2014 the Joint Venture made a surplus of £45k (2013: deficit £21k) based on a turnover of £819k (2013: £836k) and the Venture had accumulated reserves of £5.89m (2013: £5.84m).

During the year ended 30 September 2014 the Retired Baptist Ministers Housing Society made a surplus of £1.19m, (2013: Surplus £1.48m), and the Company had accumulated capital and reserves of £25.98m (2013: £24.79m).

## BAPTIST UNION OF GREAT BRITAIN

### Notes to the financial statements

#### 12 INVESTMENTS (continued)

During the year ended 31 October 2014 Baptist House Limited made a surplus of £4k (2013: deficit £1k) based on a turnover of £46k (2013: £29k) and the Company had an accumulated deficit on reserves of £23k (2013: £27k). The Union has offered support to allow the company to trade in 2015.

During the year ended 31 August 2014 Baptist Assembly Limited made a surplus of £164 (2013: surplus £8k) based on a turnover of £86k (2013: £152k). The company had capital and reserves of £55k (2013: £54k).

#### 13 DEBTORS

	Consolidated		Charity	
	2014	2013	2014	2013
	£'000	£'000	£'000	£'000
Baptist Union Corporation limited	-	-	-	-
Accrued Income	674	1,476	647	658
Prepayments and Other Debtors	314	210	161	175
<b>Total</b>	<b>988</b>	<b>1,686</b>	<b>808</b>	<b>833</b>

There is an additional £73,095 capital commitment, for the phase two database project, this is expected to complete in May 2015.

#### 14 LOANS CONSOLIDATED AND CHARITY

	Consolidated		Charity	
	2014	2013	2014	2013
	£'000	£'000	£'000	£'000
Loans to churches	12,020	-	-	-
BSBS	336	336	336	336
Loans to Staff	22	24	22	24
<b>Total</b>	<b>12,378</b>	<b>360</b>	<b>358</b>	<b>360</b>

The outstanding loans of £12.38m, include £1.83m due to be repaid within 12 months, a further £1.34m due within 2 years, £3.47m due between 3 and 5 years, and £5.69m due in more than 5 years. Loans totalling £4.27m (2013: £1.76m) have been approved but not taken up as at 31 December 2014.

#### 15 CASH AND BANK BALANCES

	Consolidated		Charity	
	2014	2013	2014	2013
	£'000	£'000	£'000	£'000
HSBC Bank plc	3,584	1,283	308	778
Lloyds Bank plc	5,000	-	-	-
Royal London Cash Management	1,192	583	586	583
Santander	5,417	1,500	1,000	1,500
Baptist Union Corporation Limited	-	1,955	2,946	1,947
Clydesdale Bank Limited	5,492	699	708	699
Charities Official Investment Fund Deposit	1,429	478	457	455
Close Brothers	2,035	-	-	-
National Westminster Bank	60	-	-	-
<b>Total</b>	<b>24,209</b>	<b>6,498</b>	<b>6,005</b>	<b>5,962</b>

#### 16 CREDITORS

	Consolidated		Charity	
	2014	2013	2014	2013
	£'000	£'000	£'000	£'000
Amounts falling due within one year:				
Accruals and other creditors	27,507	3,176	271	261

**BAPTIST UNION OF GREAT BRITAIN**

**Notes to the financial statements**

**17 ENDOWMENT FUNDS - Consolidated and Charity**

	<b>1 January 2014 £'000</b>	<b>Incoming Resources £'000</b>	<b>Resources expended £'000</b>	<b>Gains and Losses £'000</b>	<b>Transfers £'000</b>	<b>31 December 2014 £'000</b>
Sustentation Fund	903	26	(3)	41	(26)	941

	<b>Investments £'000</b>	<b>Current Assets £'000</b>	<b>Total £'000</b>
Sustentation Fund	806	135	941

**18 RESTRICTED FUNDS**

	<b>1 Jan 2014 £'000</b>	<b>Incoming Resources £'000</b>	<b>Resources Expended £'000</b>	<b>Gains &amp; Losses £'000</b>	<b>Transfers £'000</b>	<b>31 Dec 2014 £'000</b>
Continental Fund	58	2	-	1	-	61
Deaconesses' Benevolent Fund	14	-	-	-	-	14
Ministers' Benevolent Fund	64	1	-	3	-	68
Retired Ministers' Benevolent Fund	209	7	(1)	11	-	226
Widows' Benevolent Fund	14	-	(1)	-	-	13
J A Spurgeon Memorial Fund	421	24	(7)	20	-	458
<b>Total Charity</b>	<b>780</b>	<b>34</b>	<b>(9)</b>	<b>35</b>	<b>-</b>	<b>840</b>
Retired Baptist Ministers Housing Society	24,793	1,618	(424)	-	-	25,987
Baptist Union Corporation Ltd (Note 12)	-	-	-	-	488	488
<b>Total Consolidated</b>	<b>25,573</b>	<b>1,652</b>	<b>(433)</b>	<b>35</b>	<b>488</b>	<b>27,315</b>

	<b>Fixed Assets £'000</b>	<b>Investments £'000</b>	<b>Current Assets £'000</b>	<b>Total £'000</b>
Continental Fund	-	40	21	61
Deaconesses' Benevolent Fund	-	-	14	14
Ministers' Benevolent Fund	-	63	5	68
Retired Ministers' Benevolent Fund	-	221	5	226
Widows Benevolent Fund	-	-	13	13
J A Spurgeon Memorial Trust	-	404	54	458
<b>Total Charity</b>	<b>-</b>	<b>728</b>	<b>112</b>	<b>840</b>
Retired Baptist Ministers Housing Society	28,197	30	(2,240)	25,987
Baptist Union Corporation Ltd (Note 12)	-	488	-	488
<b>Total Consolidated</b>	<b>28,197</b>	<b>1,246</b>	<b>(2,128)</b>	<b>27,315</b>

The Continental Fund is used for facilitating contact with Baptist Union in Europe. The Deaconesses' Benevolent Fund assists former members of the Deaconesses' Order. The Minister Benevolent Fund is to assist ministers on the accredited list. The Retired Ministers' Benevolent Fund is to assist retired ministers on the accredited list. The Widows' Benevolent Fund assists widows of ministers who were on the accredited list. The JA Spurgeon Memorial Fund makes grants for holidays for Baptist Ministers who meet the criteria required.

**BAPTIST UNION OF GREAT BRITAIN**

**Notes to the financial statements**

**19 DESIGNATED FUNDS**

	<b>1.1.2014</b>	<b>Incoming Resources</b>	<b>Resources Expended</b>	<b>Gains and Losses</b>	<b>Transfers</b>	<b>31.12.2014</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Newington Court	3,863	83	(156)	184	10	3,984
Student Training Capital	4,758	139	(244)	226	20	4,899
Loan Fund Capital (note 12)	5,950	-	-	204	(6,154)	-
Baptist Strategy Building Scheme	336	-	-	-	-	336
Pension Reserve	1,362	232	(3)	31	(52)	1,570
Baptist House JV Investment	2,900	-	-	-	-	2,900
Fixed Asset Reserve	3,182	-	-	-	-	3,182
<b>Total</b>	<b>22,351</b>	<b>454</b>	<b>(403)</b>	<b>645</b>	<b>(6,176)</b>	<b>16,871</b>

	<b>Fixed Asset</b>	<b>Investments</b>	<b>Current Assets</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Newington Court	-	3,402	582	3,984
Student Training	-	4,398	501	4,899
Baptist Strategy Building	-	-	336	336
Pension Reserve	-	712	858	1,570
Baptist JV Investment	-	2,900	-	2,900
Fixed Asset Reserve	3,182	-	-	3,182
<b>Total</b>	<b>3,182</b>	<b>11,412</b>	<b>2,277</b>	<b>16,871</b>

The New Venture supports new projects of a social/ community nature in Baptist churches.

The Overseas Travel Fund equalises the cost of attendance at international conferences.

The proceeds of Newington Court, which are unrestricted funds, have been designated, with income, and capital as appropriate, to be allocated by the Trustees.

The Tithe Fund capital is that part of the proceeds of Baptist Church House made available for non-Baptist Union of Great Britain purposes.

The Tithe Fund income is the balance of income not yet donated.

The Student Training capital is that part of the proceeds of Baptist Church House made available for the provision of Bursaries to Ministerial Students.

The Student Training income is the balance of income not yet utilised.

The Baptist Strategy Building Scheme provided loan finance to churches in strategic places.

The Scholarship Fund is available to provide bursaries for Doctoral students, and receives a transfer from unrestricted income.

The Pension Reserve represents the Union's share of the proceeds of church buildings received under Ultimate Trusts since 2008

The Worship Fund is to facilitate the study and discussion of worship.

In accordance with best practice two new designated funds were set up in 2013 as follows:

Fixed Asset Reserve- the Charities SORP specifically allows funds held as tangible fixed assets for charity use to be excluded from reserves. This recognises that certain assets will be used operationally and their disposal may adversely impact on a charity's ability to deliver its aims. Thus for BUGB this reserve includes essential housing provided for Association and other Union staff.

Baptist House Joint Venture- as with the fixed asset reserve above this recognises the investment in Baptist House that is used for operational purposes and is not really a liquid asset.

**20 ANALYSIS OF NET ASSETS**

	<b>Fixed Assets</b>	<b>Investments</b>	<b>Current Assets</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Endowment Funds	-	806	135	941
Restricted Funds	28,197	1,246	(2,128)	27,315
Designated Funds	3,182	11,412	2,277	16,871
Unrestricted Funds	3,429	3,269	9,798	16,496
<b>Total</b>	<b>34,808</b>	<b>16,733</b>	<b>10,082</b>	<b>61,623</b>

## BAPTIST UNION OF GREAT BRITAIN

### Notes to the financial statements

#### 21 GRANTS MADE

<b>General Grants for Baptist Organisations</b>	<b>2014 £'000</b>	<b>2013 £'000</b>
European Baptist Federation	56	51
Baptist World Alliance	9	9
<b>Total</b>	<b>65</b>	<b>60</b>
<b>Ecumenical Grants</b>		
Churches Together in England	24	25
Cytun	14	14
Churches Together in Britain and Ireland	9	9
World Council of Churches	8	8
Free Churches Council and others	8	8
<b>Total</b>	<b>63</b>	<b>64</b>
<b>Summary</b>	<b>£'000</b>	<b>£'000</b>
General Grants to Baptist Organisations	65	60
Ecumenical Grants	63	64
Grants to Churches	1,774	1,704
Other Grants	132	45
<b>Total</b>	<b>2,034</b>	<b>1,873</b>

#### 22 RELATED PARTY TRANSACTIONS

The Custodian Trustee of the Baptist Union of Great Britain is the Baptist Union Corporation Limited which is Charity number 249635, and whose members are the members of the Baptist Union Council. The Corporation administers the Baptist Loan Fund. The company is therefore a related party of the Baptist Union of Great Britain.

At 31 December 2014 the Union had invested capital of £6.15m (2013: £5.95m) in the Corporation, and deposit funds of £2.05m (2013: £1.76m) in interest bearing accounts managed by the Corporation.

#### 23 PENSIONS

The Union is an employer participating in 2 pension schemes known as the Baptist Pension Scheme ("the Scheme"), which was known as the Baptist Ministers' Pension Fund until 31 December 2011 ("the Ministers Fund"), and the Baptist Union Staff Pension Scheme ("the Staff Scheme"). The Schemes are separate legal entities which are administered by a Pension Trustee (Baptist Pension Trust Limited).

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

From January 2012, pension provision for the Ministers and members of staff is being made through the Defined Contribution (DC) Plan within the BPS. In general, members pay 8% of their Pensionable Income and employers pay 6% of members' Pensionable Income into individual pension accounts, which are operated and managed on behalf of the Pension Trustee by Legal and General Life Assurance Society Limited. In addition, the employer pays a further 4% of Pensionable Income to cover Death in Service Benefits, administration costs, and an associated insurance policy which provides income protection for BPS members in the event that they are unable to work due to long-term incapacity. This income protection policy has been insured by the Baptist Union of Great Britain with Unum Limited. Members of the Basic Section of BPS pay reduced contributions of 5% of Pensionable Income, and their employers also pay a total of 5%.

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

- In the BPS, a defined benefit pension of one eightieth of Final Minimum Pensionable Income for each year of Pensionable Service, together with additional pension in respect of premiums paid on Pensionable Income in excess of Minimum Pensionable Income; and
- In the BUSPS, a pension of one seventieth of a member's average salary over the last three years of pensionable service.



Notes to the financial statements

21 PENSIONS (continued)

- The BPS, previously known as the Baptist Ministers' Pension Fund, started in 1925, and the BUSPS started in 1969. Both schemes were closed to future accrual of defined benefits on 31 December 2011. Neither scheme is contracted out of the State Second Pension.

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

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

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

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

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

As there is a large number of contributing employers participating in the BPS and BUSPS, the Union is unable to identify its share of the underlying assets and liabilities of the schemes. Accordingly, due to the nature of the schemes, the profit and loss charge for the period represents the employer contributions payable. The total pension cost for the Union is £117k (2013 £117k).

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

