

*Catching
the wind of the
Holy Spirit*

Annual Report
of the Baptist Union of Great Britain

2019

The Declaration of Principle

The basis of our Baptist Union is:

1. That our Lord and Saviour Jesus Christ, God manifest in the flesh, is the sole and absolute authority in all matters pertaining to faith and practice, as revealed in the Holy Scriptures, and that each Church has liberty, under the guidance of the Holy Spirit, to interpret and administer His laws.
2. That Christian Baptism is the immersion in water into the Name of the Father, the Son, and the Holy Spirit, of those who have professed repentance towards God and faith in our Lord Jesus Christ who 'died for our sins according to the Scriptures; was buried, and rose again the third day'.
3. That it is the duty of every disciple to bear personal witness to the Gospel of Jesus Christ, and to take part in the evangelisation of the world.



Our Annual Report document explains the varied work Baptists Together have been part of over the past year. We hope it will be a great encouragement to you as you read about all the varied work God is doing across our Baptist movement.

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This report was largely complete at the point the UK government implemented a lock-down, but its final production was put on hold as we focused our resources on supporting churches in adapting to the situation. We are conscious that a report about our work in 2019 does seem strange in the very different context that we have found ourselves in during 2020. In spite of this it is still important to report on the work that God has been doing through Baptists Together.

The Trustees wish to put on record their thanks to the churches, regional associations and colleges that make up Baptists Together and to the staff of the specialist teams based at Baptist House for all their generosity in supporting us to achieve our mission.

*He determines the number of the stars
and calls them each by name.*

Psalms 147.4

Our objectives

The principal object of the Union is the advancement of Christian faith and its practice, especially by the means of and in accordance with the principles of the Baptist denomination.

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

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

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

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

Throughout 2019 our Union continued to support its member churches, regional associations and colleges by providing grants, practical support, guidance and expertise and by representing its members in the public arena. Throughout this report further detail and information is to be found about specific initiatives in 2019 and how they relate to the overall strategy of our Union.

'The Lord is my Shepherd' by Chris Duffett reflects on what it means to be guided by, and put hope in, our Lord. Chris Duffett is a Baptist Minister and former President of Baptists Together and his paintings are used throughout this report. Visit www.chrisduffettart.com to find out more.



Our Strategies to achieve success

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

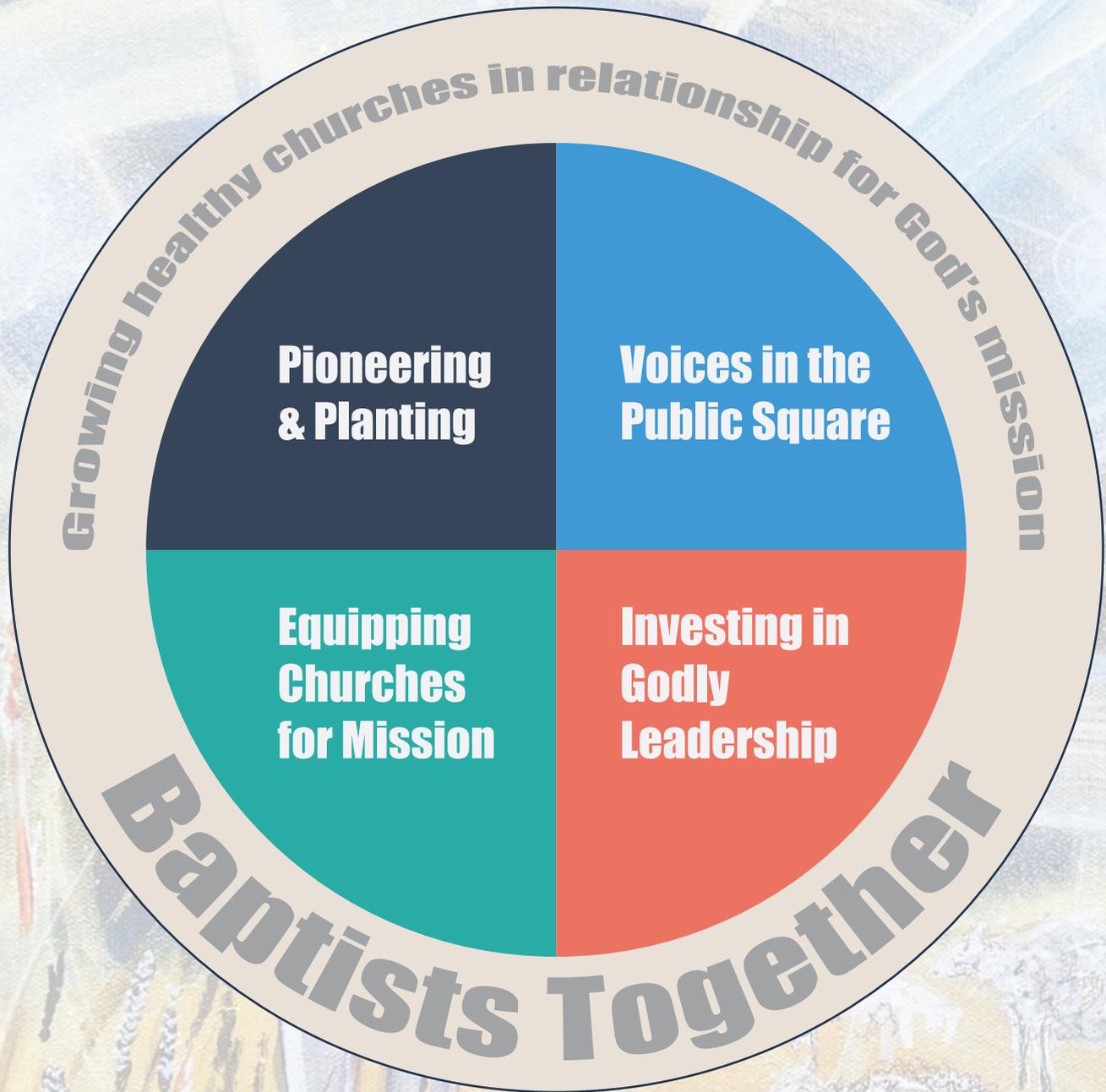
The 'Futures Review' undertaken in 2012 outlined the main strategic direction, objectives and values of the Union which continue to be implemented. The strategy of our Union arises from this and is encapsulated in the phrase:

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

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

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

We seek to deliver our vision through...



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

Feel like one team

celebrating diversity; valuing, respecting and trusting each other as we work together in partnerships - making sure everyone feels included and listened to. (1 Corinthians 12:24b-27)

Seek to be a movement of Spirit-led communities

as those who have encountered the living Christ, to intentionally seek his will and purpose for our local churches and every expression of our shared life. (Galatians 5:22-25)

Embrace adventure

being serious about discipleship, willing to take risks, pioneer and move out of the comfort zone of familiar ways of doing things. (Matthew 28:18-20)

Inspire others

with a generosity of spirit, energise and motivate people to be all that God created them to be. (Ephesians 5:1-2)

Share a hunger for God's coming Kingdom

nurturing a 'holy discontent' that arises from our desire to give practical expression to our vision of God's purpose for creation - confronting evil, injustice and hypocrisy and challenging worldly attitudes to power, wealth, status and security both within and beyond our Union. (Matthew 6:9-10)

Areas of strategic focus

Whilst we continue to develop our four key areas (see page 6), we are working on these strategic priorities.

- Given the urgent need to pursue God's mission in our UK context, we believe that we need to focus on our value: '**Embrace adventure**: Being serious about discipleship, willing to take risks, pioneer and move out of the comfort zone of familiar ways of doing things (Matt 28:18-20)'.
- To work through the remaining recommendations of the Ignite report into the future of ministry. **Developing leadership in all its forms**, together with a focus on equipping the whole body of Christ.
- **Children, Young People and Families** – our CYF Round Table is offering leadership in this area.
- A similar but separate focus on **Emerging Adults aged 18-35** – a group which is largely missing from our churches.
- **Digital revolution** – not only our own digital capacity but reflecting on the implications of the digital revolution on mission, ministry and society.



“It is always a privilege and a delight to see the life and energy of our movement”

From the vantage point of the current Coronavirus crisis, the activities and achievements of 2019 seem like a lifetime ago. Nevertheless, in challenging times it remains important to persevere in nurturing the spiritual disciplines of gratitude, thanksgiving and reflection. It is always a privilege and a delight to see the life and energy of our movement expressed as we join together in pursuit of our common purpose.

2019 is certainly no exception on that front as you will see as you read through this report. I want to highlight some of the most significant steps forward that we have taken during the year. Our commitment to participating in the mission of God is reflected in recognising Roy Searle, Simon Goddard and Ali Boulton as our Pioneer Ambassadors. Working within the orbit of our Mission Forum, our Pioneer Ambassadors will be focussing their attention on inspiring and equipping pioneers and encouraging us as a Movement to take seriously the mission challenge of seeking God’s Kingdom in new places and spaces.

We have all become much more aware of the Kingdom issues around the environment and creation care. I was so encouraged to see a grassroots group of Baptists, who are passionate about this area, beginning to network together and then form the new network BUEN (Baptist Union Environment Network). It is very early days for BUEN but, together with our Treasurer John Levick, Council reviewed our ethical investments policy and made further significant decisions about disinvestment.

The need for us to continue, and increase, our investment in raising up Godly leaders was expressed in three different ways through 2019. Firstly, the unfolding celebration and reflection marking the centenary of Baptists ordaining women in ministry provided many opportunities to appreciate how far we have come on this journey, both in wider culture and within Baptists Together. It also provided a season of re-evaluation of the barriers that still exist and prevent women from flourishing in the call that God has given them. One tangible outcome of this was the appointment of Jane Day as our Centenary Development Enabler to help us move further forward in this area. Secondly, our commitment to investing in Godly leaders was also reflected in the appointment of Tim Fergusson as our Ministerial Development Adviser. One key focus for Tim is to establish a culture of Continuing Ministerial Development. Finally, we identified that we needed to bring some innovative thinking into play to consider new ways of funding ministerial formation to enable us to raise up a new generation of leaders and a Working Group has been initiated to address this.

One of Baptists Together’s ongoing challenges has been to work out how you enable an historic grass-roots movement of local churches to relate together and operate in our contemporary context of charitable governance. However, we made some significant progress in exploring a new, dual operating approach and there is a growing sense that this is a positive way forward for us.

Lynn Green, General Secretary Baptists Together



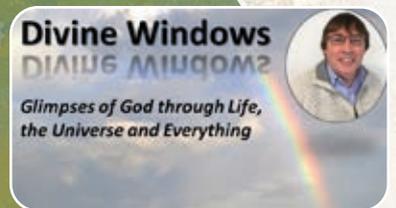
Dave Gregory - President 2018-19

8,500 miles across the UK. Meeting people and ministers from over 100 churches. Regional and national meetings and conferences. One party political conference. Visiting the Met Office where I used to work. A significant Remembrance Sunday at the Cenotaph and Westminster Abbey marking the centenary of the end of WW1 and a very sunny Buckingham Palace Garden Party!

This has been part of my journey with God over my year as Baptist Union President. The theme of 'Divine Windows : Glimpses of God through life, the universe and everything' exploring science and faith, connected with many within our Baptist family. Children and young people interested in science. Parents fearful of the influence on their children of the perception that science and faith are in conflict. Professionals in the scientific and technical world - teachers, researchers and others - for whom faith and science are relevant to their whole life discipleship. With an increasing awareness of climate change, as a movement we will need to continue to engage with the insights into God's creation that the gift of science brings.

There is great beauty in satellite images of the Earth at night. Cities and towns shine out, among them Baptist Christians and churches 'shining like stars in the universe'. Our eyes are often drawn to the bright lights of the larger cities and towns. Many of the towns and villages where Baptists live, serve and love might not catch our eye. Some feel a long way from anywhere - like the few Baptist churches in Cornwall - yet have an energy for networking and pioneering. Chaplains in the East Midlands at RAF Cranwell and Waddington ministering to those serving our nation. In Haggate, near Burnley, and in Alnwick in the North East, Baptists are building new faith communities through Messy Church. Perhaps we have not yet grasped the significance of this movement of God's Spirit as we reach out to families of the Millennial generation.

I have been inspired by the diversity of God's life among Baptists Together. May we value our diversity beyond the boundaries of our locality and associations. Beyond the boundaries of church and worship styles, and the diversity of our theology and views. Celebrating and welcoming the diversity of God's Word and Spirit among us, may we continue to trust God's purpose is working through us and all grow in confidence that we 'shine like stars in the universe ... as we hold out the word of life'.



“I have a sense of privilege to have been invited to serve in this way.”



Ken Benjamin - President 2019-20

Nine months in as President of Baptists Together, the questions that I am asked about the role have now changed. Understandably, when I first started the questions were all, 'looking forward' – What were my plans and feelings about the role? What am I looking forward to?

Nowadays, whilst there are still 3 months to go, I am increasingly asked 'looking back' questions – What do I feel looking back? What has it been like? What have we learnt? The headline answer is essentially the same. Whether looking forward or back the overwhelming feeling I have is a sense of privilege to have been invited to serve in this way.

It has been a great privilege to:

- spend time in all 13 Associations;
- visit churches, ministers and colleges. Often I have been able to travel with and share in this ministry with my wife Sue;
- play a part at Baptist Council and as an accompanier to the Baptist Steering Group and the All Team Leaders Group;
- represent BMS World Mission too and to have made a trip with them to India;
- get to know many of the staff team at Didcot. We have great people serving us;
- represent our family of churches at some key events including the Remembrance Service at the Cenotaph and the Holocaust Memorial Service.

I have sought to fulfil the President's role by supporting our General Secretary Lynn Green in communicating our Union's vision and mission. In doing so, I have brought a challenging prayerful question to our denomination - 'Where do we grow from here?' (www.wheredowegrowfromhere.org).

It's been so encouraging to see how many people have found this question both timely and helpful and have used the resources available, including the videos and small group questions (www.baptist.org.uk/wdwgfh).

We have seen such a wide variety of styles, sizes, and contexts within Baptists Together. Our differences can sometimes be seen as obstacles but at our best they give us greater opportunities.

Nine months in, whilst the questions have changed, I am still looking forward more than back. I'm looking forward to our new President, Yinka Oyekan, building on the theme with 'How do we grow from here?' (www.howdowegrowfromhere.com).

I'm also looking forward to being able to continue to serve our churches as I move from church ministry to working as Church Relationships Director with LICC – the London Institute for Contemporary Christianity.





Regional Associations

The main work of Baptists Together in supporting churches continues to be through our 13 regional associations. These are separately constituted charities, but receive a substantial part of their income from the Home Mission Fund administered by the Union. Total funding for associations from the Home Mission Fund in 2019 totalled £3.14m (2018: £3.34m).

Each regional association has a small team of Regional Ministers and administrative staff, who support the churches in their area pastorally, assist in the settlement of ministers, advise on mission and practical matters, and organise training events.

The regional associations are also responsible for administering Home Mission grants to churches and other organisations to support development of Baptist mission and ministry where it would not otherwise be financially viable. This includes pioneering mission, church planting, renewing local churches and other mission project grants.

The following pages provide some examples of the work of regional associations and the churches they support on behalf of Baptists Together.



Creation care at Christchurch

Christchurch Baptist Church in Dorset has truly gone on an eco journey. Wanting to enthuse others to be more proactive in caring for God's creation, it set up a small Creation Care Team, focused on a three-pronged approach: premises, congregation and community. Activity includes installing bike racks, promoting car sharing, more recycling, and a weekly creation care challenge. It achieved its EcoChurch bronze award in May.



Last year it worked towards reaching out to its local community, taking part in the local carnival with an environmentally friendly float and hosting a harvest show, which it renamed the Green Fair and Christchurch Show. This featured several stalls for local suppliers and information groups, as well as more than 80 entries for the show section.



"In two-and-a-half years we have moved our church forward in thinking and action on climate change and environmental issues," says Meg Brockway, a member of the Creation Care Team. "There is still a long way to go, but it only took a handful of people to start the ball rolling."

Market Harborough Baptist Church

Last autumn Christopher Brown became pastor at Market Harborough Baptist Church – one of the earliest of Christian charity Torch Trust’s Sight Loss Friendly Churches. He has spoken about his experience of coming to a church with a rich heritage of sight loss friendliness and why it still strives to do more.

“Coming into a church where there’s already been a lot of work to make it sight loss friendly was a real eye opener, especially for my preaching,” he said. “Previously I would probably use quite a lot of visual components, whether that’s through PowerPoint or physical props or whatever else.

“I try to make sure that I’m not always saying ‘Look at this, look at that’ but actually being very much more descriptive in my preaching.”

He emphasised how scary it is for people who are beginning to lose their sight – and how a congregation can help. It’s therefore important have things in place now.

“Don’t wait for someone to come, because they might come and find no provision and end up leaving,” Christopher said. “To be able to bring people together and to share communal wisdom, and draw alongside people, is a tremendous display of the Gospel and the love of Christ.”



Hebe Foundation

The Hebe Foundation, a Baptist-led youth organisation that helps people aged 13-20 discover their talents, is seeing increasing demand for its work. Hebe was set up in 2007 by Amie Buhari. By 2019 its Junior Apprentice event, based on the hit TV show, operated in six London boroughs for around 140 young people each summer.

A new addition is Digital Disruptors, which ran for the first time in 2018 and gives young people an insight into the ever growing digital marketing industry.

That Hebe was approached to work in partnership to develop and run Digital Disruptors is an indication of the regard in which it is held. Amie says: *“The longer you are in the field the more people are likely to partner, and this was the case with Digital Disruptors. We were approached as a grass roots organisation with a track record.*

“The key is the difference in the young people. When people volunteer they can visibly see the difference. It’s amazing the growth! It comes quite quickly. It’s very evident to see.”



Broadmead Community Church

"We are much more visible now," says minister Adam Eakins, minister of Broadmead Community Church in Northampton. "In the old building there was a lot going on, but you just couldn't see it. There are lots of windows people can see in, and that's made a big impact."



The project was initially conceived back in 2008, with fundraising beginning a couple of years later. Supported by its congregation, a Baptist Union loan and various grants, building began in the summer of 2017. With phase one complete, by early 2019 the new centre was becoming a hive of activity, home to a nursery, a money advice centre and a variety of activities.

"As someone said to me recently, all we've done is create a better box," adds Adam. "What goes on in the building is the most important thing, and we're trying to serve the needs of this community in a variety of ways."



Ifracombe Baptist Church

Members of Ifracombe Baptist Church have been exploring God's call on their lives for the future. A small group of committed, mainly elderly, people has served its community for a number of years through initiatives like Open Church, a weekly drop in, and Night Church, where it opens for people coming out of pubs and clubs. Its members have also been heavily involved in praying for the local secondary school, which became a Church Academy, and setting up a prayer room there.

But with much more that could be done, the church decided to call a missionary. Its story was featured in a new Home Mission film in 2019 to raise awareness of the needs and opportunities.

The year culminated in the church calling Aly Fulford, who is a recent graduate of Bristol Baptist College. She started in Jan 2020, moving into rented accommodation initially. It was always intended that this post-holder would work closely with other denominations in the town and the URC South West Synod offered to buy a manse for Aly to live in – praise God!



Ewyas Harold Baptist Church

Ewyas Harold Baptist Church is a loving, caring church that is deeply rooted upon the love of God and desires to share this love with everyone. Its small but growing fellowship aims to use its resources and facilities to engage with the local community and beyond in new, innovative ways.

In recent times three new initiatives have built on the relationships the church has with the wider community.

They are Outdoor Church, held on four Saturday afternoons during the year. The church meets in a variety of venues, including a nature reserve, recreation ground and farm, and has activities that are linked with a Bible passage.

O Sew Simple is creating four wall hangings, based on scripture verses that are focused on trees, and will depict an oak tree formed with different seasons. As the banners are made it gives the opportunity for individuals to get to know each other better and to share something of their journeys, including their faith.

Finally, the church has instigated community singing, meeting most months to sing a variety of songs.



“She will pass on her contagious joy”

A membership service with a difference took place at Oakes Baptist Church, Huddersfield for a young lady with additional needs. E was dedicated at Oakes in 1995, and has grown up in the church, delighting everyone with her flag waving and squeals of joy. Twenty-four years later she became a member in a service that featured much flag-waving, the singing of ‘Our God is a Great Big God’, prayers of thanksgiving, blessing and a handshake.

“It was very moving, very inclusive and a very special way of acknowledging the contribution people with additional needs make to church life,” E’s mum said, adding that her daughter brings her own unique gifts.

“She cannot read or write, she won’t be able to vote - but will definitely make her voice heard. She has no source of income - but is generous with her smiles, her squeals and huge welcome. She will help you see the world very differently - perhaps through more trusting, less complicated eyes. She will never gossip about you, never judge you, never challenge you about your theology. But she will pass on her contagious joy.”



Nansen Road Baptist Church

Nansen Road Baptist Church in Ipswich found itself at the centre of a community tragedy – and has played a central role in its response. In the summer of 2018 Tavis Spencer-Aitkens, 17, was stabbed repeatedly as he walked back from the shops near the church. Tavis was the victim of trouble between two rival gangs. The church held an emotional public meeting in the aftermath of the murder, where many called for investment in youth facilities.



The church's long-held vision of a youth club was shared by Neville Aitkens (Tavis's father) and wife Helen Forbes (Tavis's stepmother) who wanted something good to come from the tragedy. Money was raised by the community for equipment, legal processes put in place, and the church agreed its hall would be the venue. After months of vision and planning the new youth club, called Reflections, opened on 27 June 2019



Run by volunteers from the community and church, its aim is to give the children a safe environment, help them develop better relationships with each other, and give them a sense of meaning and purpose.

Leigh Baptist Church

A small Baptist church is increasing the ways it connects with its community – and it has coincided with one of its members becoming part of an Association lay leadership learning programme. Val Hulme became the part time Pastoral Leader at Leigh Baptist Church in 2018, having been a deacon and church secretary. She started attending the Latchford Training Hub then. Latchford is a monthly learning day organised by the North Western Baptist Association for people who have assumed a strong leadership role in a church, seeking to equip them with skills and learning appropriate for their everyday context.



“Each month I come away encouraged and with something that helps me in my church role and usually my personal life, too. I asked the deacons how they felt it had impacted the church. They said having a leader, and a leader who felt supported, had contributed to a more positive atmosphere. Attending Latchford has given me the ‘permission’ to lead and suggest ways forward.”



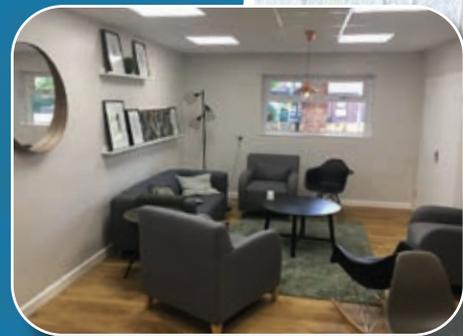
Val says Leigh is a small church which often felt it ‘didn’t have enough people to do very much’. However, in 2019 it held a Light Party and a Christmas party, both attended by families who don’t usually come to church. Some came along to the Christmas service which was led by our puppet team. Leigh’s annual Carols by Candlelight is always well attended. The church has also begun a toddler group, and intends to invite those who have attended to family services in the coming months. We look forward to seeing where God is leading us in this and other ventures,” says Val.

A beacon in Middlesbrough

“A faith-filled and risky vision.” That’s how Stephen Sutton described his church’s desire to open a new community centre. Stephen is the minister of Coulby Newham Baptist Church in Middlesbrough, which felt it had been given a vision from God to open a new community centre called the Beacon.

That vision was supported by the local Home Mission funding team, whose prayerful and financial backing helped make it happen. The church worked hard to transform the building, formerly owned by the Council, and create a bright, modern, welcoming place now equipped for a range of community projects. It’s home to a café Monday to Thursday, a foodbank distribution centre on Mondays, Alpha and much more.

“The Home Mission team were absolutely incredible,” continues Stephen. “We’ve now got an incredible community centre that’s been refurbished and looks beautiful. All sorts of different community impact projects are happening there. The church is growing, we’ve celebrated baptisms, and I’ve just submitted what I think will be our last ever Home Mission application.”



The Cairn

The Cairn is a new community of God’s people, birthed from the resources of Knowle West Baptist Church.

The Cairn is the name of Phil and Alice Lawrence’s home in Knowle West – and it is the primary location for the mission life of the Cairn community. A number of activities take place there – such as the Guitar Club (a bit like a home group with guitars where together people can explore a spiritual journey and beef up their guitar skills); Man Friday, a monthly men’s breakfast, where between 10-15 people come to talk about life, its meaning, and to have a good breakfast. Around half of these men also connect in with Fusion, a community men’s group in Knowle West.



On Sunday mornings around a dozen people gather at Phil and Alice’s for informal worship. Beyond this, good inter-church relationships are developing, with the setting up of a Christians Against Poverty resource in South Bristol, something Phil is involved with.

Phil believes that there is currently a spiritual openness among those they are reaching out to.

Justice to the coastlands

A Baptist church in an area of significant post-industrial deprivation on the edge of Swansea has found a new way to help its people receive justice. Mount Zion Baptist Chapel in Bonymaen already hosts a foodbank and partners with others to offer a route to debt and benefit advice. In the past year it has worked closely with the Swansea Law Clinic.



Minister Chris Lewis explains: *“I don’t have to turn over many stones to find people who need access to justice, in matters of housing, relationship breakdown, employment, equality, consumer issues and welfare benefits. As a church we have become increasingly involved with the Clinic: we have referred people in their direction, and I have encouraged both students and solicitors to volunteer for it”.*

“It is a source of advice, not a legal practice, and while not a panacea, there are things that it can do, such as representation work in the Social Entitlement Chamber and Employment Tribunals. It can advise people who find that they have to be litigants in person. With this help we begin to bring law and justice to the coastlands, to people to whom it’s denied because they can’t pay.”

South Wales
Baptist Association



Sunday Active - Ebbsfleet

When it was announced that the Ebbsfleet Garden City would become a ‘healthy new town’, Penny Marsh and her team began to imagine what a new church might look like in this context. With keen runners, a fitness instructor and a healthy walk leader on the team, ideas began to develop.

They knew activities like this would bring people together but wanted to make sure discipleship was at the heart of whatever emerged; the idea of including a talk on ‘spiritual health from a Christian perspective’ seemed like a useful way forward.

‘Sunday Active - Ebbsfleet’ was launched at the beginning of 2018. Meeting each week there is a choice of activities, then breakfast together followed by the presentation on spiritual health. Most of those who attend are from the local area and are ‘not-yet’ Christians; we have lots of young families. Thank you! - Home Mission has made this possible!



Baptist Colleges

Our Baptist colleges share their highlights from 2019



College Graduation is a special highlight. This year we had 77 students graduating from one of the College's various courses. Our mission remains unchanged, 'training men and women for Christian mission, ministry and leadership in the contemporary world'.

The College faced a challenging situation when its application to register with the Office for Students (OfS) was rejected in August 2019. It was humbling to see the Baptist Family stand beside us and practically support our students. The College's application for registration with the OfS was accepted in November. Eligible students may now once again receive student loans.

We are energised by our partnership with BMS World Mission and pray that this will be a Kairos moment in training for missional discipleship here in the UK and internationally. The College has continued a comprehensive review and redesign of its BA programme. It is grateful to be in partnership with the BU Mission Forum in creating a suite of modules in missional leadership, being created by Sally Mann in consultation with a range of practitioners. The College is creating a flexible higher education qualification for pioneers that can be delivered by a range of providers from 2021.

We continued to expand our Equipped to Minister programme, opening in Birmingham hard on the heels of a successful launch in Histon. This high quality theological and ministry training for those seeking accreditation as lay preachers and pastors is now attracting over 100 students.

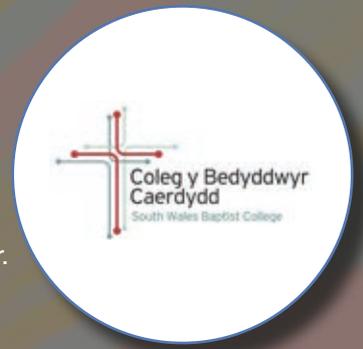
In October Spurgeon's signed a partnership with Anderson University in South Carolina which will see American students studying in London and in December the College signed a covenant with Liverpool Hope University which we anticipate will result in ambitious joint projects between the two institutions, first of all in the validation of our research degrees of DMin and PhD.



'One of great value' by Chris Duffett, photos belong to each respective Baptist College



This has been a year of major change for the college, with the appointment of two co-Principals ((Ed Kaneen and Rosa Hunt, pictured), a new tutor (Stephen Roberts), and a new librarian and chair of trustees. We have also seen our second intake of students on our part-time formation programme, which is delivered monthly over a weekend, with two additional residential sessions throughout the year. The programme has proved very popular, and intake was higher this year than it has been for a while.



Another major encouragement was a Discernment Day which was held in conjunction with South Wales Baptist Association (SWaBA) and the Baptist Union of Wales (BUW) to allow people from across Wales to explore God’s call on their lives. As well as asking previous students to come and talk about how God’s call had worked out in practice in their ministries, we were able to explore the theology and spirituality of calling, and to enjoy an entertaining and challenging video made specially for us by BMS World Mission. This day was very well attended, with people travelling from all over Wales to join us, and we hope that it will become an annual event.

We continue to enjoy excellent relationships with both Cardiff University and St Padarn’s Institute, which is the Church in Wales’ institution for formation. Our formal partnership with Cardiff University is due to be renewed over the next two years, and this might be the opportunity to make some exciting changes to the opportunities we can offer students, so we would value the prayers of the wider Baptist family as we seek wisdom and visionary courage for the way forward. We also work very closely with SWaBA and BUW, and we want to make sure that the formation opportunities we offer students are closely linked to the realities of daily life in mission and ministry.

One challenge for our new pattern of formation is maintaining a sense of fellowship and community. We have tried to do that this year by writing a college covenant based on the great commandment to love God, neighbour and self, and by suggesting patterns of examen and prayer that link us to each other even when our community is dispersed. Thank you for praying for us. We are here to serve the kingdom, and especially the Baptist family, and we appreciate your interest and support.



Regent’s Park College continues to thrive as a diverse community, a member of Baptists Together and part of Oxford University, with a range of other undergraduate, postgraduate and visiting students alongside our ministerial cohort. The intake of ministerial students in 2019 was one of the largest groups in recent years and has brought added life to the whole group. In response to both the changing culture and the changing needs of ministry, the College continues to develop new and flexible approaches to ministerial formation.

This last year we launched both a new pathway for those who already come with significant theological study and also a new partnership with the CMS Pioneer Mission Leadership Training to create an integrated route for those who sense a call to pioneer mission and ministry. We were also delighted to relaunch our Centre for Baptist Studies with the appointment of Chris Joynes as Director and look forward to the ways this will encourage and showcase a wide range of Baptist scholarship. We continue to deepen partnerships with the Associations close to us and have been exploring how the Community Learning part of College life, where we engage with and offer teaching and training to those in local church, can develop further.



Picture from our end of term Christmas service and dinner.

Baptist Colleges - continued

It is of course a truism that a church is not a building. Neither is a college. Northern Baptist College (NBC) is a networked community of students, tutors, associate tutors, placement churches, regional associations, local ministers, admin staff, governors, learning centres, partner ministries and much more. Through this community we seek to grow leaders for a changing church in a changing world, particularly in the northern half of England



2019 has been an encouraging year. We have seen all of our leaving students settle into a varied range of ministries and have welcomed an exciting, varied and gifted new cohort of ministers in training. In a Church where there is still significant resistance to the full freedom of women in ministry it has been particularly gratifying to reach a situation where we now have more women students than men.

Perhaps the two other main developments of the year have happened here in Manchester and just a few miles down the road in Chester.

Luther King House has been the home base of NBC since its creation as a pioneering centre of context-based ecumenical learning in the 1980's. It is a rich and vibrant community, a microcosm of the glorious diversity of Christ's church. For most of our history NBC and Luther King House have had a close association with the University of Manchester who have validated our various degree programmes. This is changing. In 2020 we expect to transfer from Manchester to the University of Durham's Common Awards programme, where we will be joining with Bristol Baptist College and a range of other theological centres. We are sad to be ending our association with the University of Manchester but excited at the possibilities offered by Durham, another great northern university.



The other main development has been our agreement to enter into partnership with The Light Project to prepare those with a calling to evangelism and pioneering for accredited Baptist ministry. We look forward to welcoming our first cohort of students later this year. We believe that, alongside our existing partnerships with St Hild in Yorkshire and Cranmer Hall in Durham, this new arrangement will strengthen our ability to offer a varied and accessible range of formation opportunities across the northern half of England and beyond.

As you will see, partnership is central to our way of working. As well as those mentioned above, we look forward to working closely in the coming year with Urban Expression, Rural Ministries, The Centre for Theology and Justice, The Crucible Course, The British Sign Language Bible Translation Project and others too, along with the wider Baptist denomination. We ask you to join us in praying for the anointing of God's Spirit on all that we do together to serve our churches as they work for the coming of the Reign of God in the northern half of England (and other places).



This year the world's oldest Baptist college continued to respond to the challenges of ministry and mission today. Our focus remained in mission across cultures and subcultures, and on ministry in contemporary contexts. We tailored packages of training and education around the needs of each one of our students so that we remain at the cutting edge of forming Spirit-filled, passionate and evangelical ministers for our networks of churches.

In 2019 we saw people with every kind of social and educational background engage in theological study. These ranged from our first cohort of Disciple-Makers taking introductory studies in the Bible and mission, to Chris Crocker's successful PhD thesis on John Ryland, former college principal, local pastor and BMS General Secretary. Our work in ministerial formation was reviewed by our peer colleges and warmly affirmed while reports from official bodies on our academic work brought the highest commendations they offer.

Last year also saw the launch of the Centre for the Study of the Bible and Violence under the leadership of Helen Paynter who is based at the College. Building on the interest generated by her Whitley lecture, Helen has organised a successful symposium aimed at an academic audience and a well-attended workshop aimed at people in local churches. Publications arising from both events will be out very soon.

In all these ways the year saw the college pursuing the goals for which it was founded more than 300 years ago.



Mission Forum

The Mission Forum is a gathering of people involved in mission work across Baptists Together including representatives of each regional association. The forum met twice during the year, in June and October to engage in a process of prayerful discernment and strategic discussion – hearing from those present about what is happening missionally across Baptists Together. The forum has responsibility for allocating funds from the Baptists Together Strategic Mission budget. Here is a selection of supported projects during 2019.



St Hild £10,000 (year 1 of 2)
Baptists are partners with Anglicans and others in this Yorkshire based college already equipping ministers to be missional leaders. This grant has contributed towards the appointment of a Director of Church Planting and Revitalisation to enable mentoring and networking and to enhance the training provision to include topics such as spiritual resilience, contextual listening, development of vision, leadership and team building, and oversight of pioneering change.

Re-Imagine £15,000 (year 2 of 3)
This is a missional learning community which enables the leadership team of a church to embark on a journey, transitioning 'from doing mission to becoming missional'. It has been developed by the West of England Baptist Association and this grant is providing the capacity in that regional team for it to be offered in partnership with other Associations too.



Renew Wellbeing £20,000 (year 2 of 3)
This initiative helps churches to open spaces of welcome and inclusion to improve mental and emotional wellbeing. This grant has enabled Renew Wellbeing to build its capacity to work in partnership with Associations and local Baptist churches. As of July 2019 there were 32 'safe spaces where it's OK not to be OK' with 20 more Renew centres in the pipeline.



Missional Adventure £15,000 (year 1 of 2)
This project is developing a variety of ways to communicate stories of #missionaladventure from across the Baptist family. There are many examples of churches being creative and fruitful in mission, and these are being collated in a dedicated section of the Baptists Together website. Churches are being encouraged to visit www.missionaladventure.net to be inspired and to find resources such as a new song called 'The Adventure' written specifically for the project by Andy Flannagan. A podcast series is also being recorded and will be launched in May 2020.

Growing churches helping to grow churches



Across our Baptists Together family there is an increasing number of churches that are growing fast, and seeing people reached with the good news of Jesus in escalating numbers. These churches want to help other churches grow.

Firestarters are conversations designed to enable that to happen. Intentionally small, they are two day forums where leadership teams from churches come together to listen to stories of growing churches, engage with the lessons they could learn, and together commit to making the changes that could see God work in new ways. Part funded by our Baptists Together family, working alongside associations, and having a real impact on churches, over the last two years over 400 leaders from Baptist churches have attended one of the 15 Firestarter conversations that have occurred. 84% of leaders who initially came on their own brought a team to a later event to increase the impact on their local church. **Most exciting is that 72 of these churches (almost two-thirds of those attending) saw twice the number of baptisms in the 12 months following as they had for the previous five years.** God is at work through these conversations and commitment to learn and work together.

The team of leaders from these fast growing Baptist churches are also committed to help other churches grow by visiting leadership teams and offering bespoke training or input - 12 such bespoke leadership days for individual churches were delivered in 2019, alongside eight online webinars.

“A remarkable two days that changed how I understood church life, leadership and mission”



The opportunities for churches to learn from each other in our family through Firestarters is now more needed than ever. The post COVID-19 world is going to offer some of the greatest gospel opportunities we will see, as well as significant challenges to navigate. Firestarters are offering two very significant opportunities for our church leaders.

First, Alex Harris of Beacon Church facilitates leadership huddles of four or five to reflect and explore together, and develop our character and competences to lead well. More information about these can be found at: <https://firestartersuk.com/huddles/>

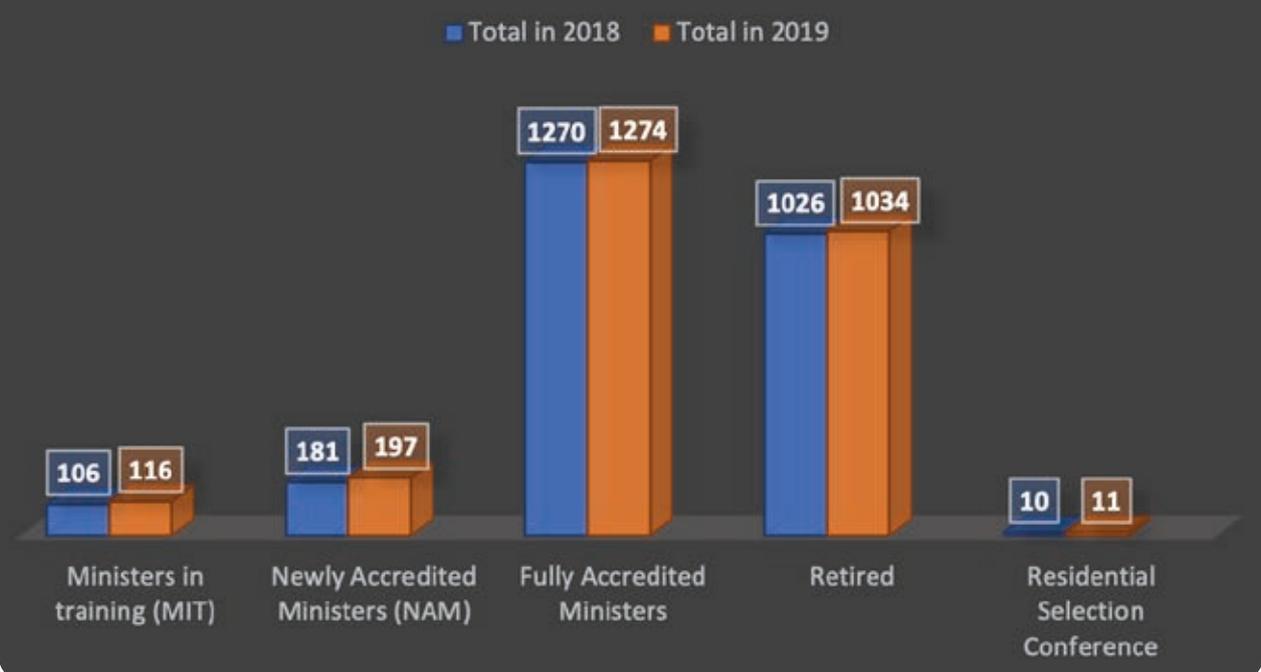
Secondarily, Leadership Insights. We have put together a great team of leaders from across sectors - Army Colonels, Chief Inspectors, Submarine Captains, politicians and church leaders - to share their major leadership “heart” lessons and take questions in short, 45 minute Leadership Insights. Many of us at present are leading and serving from activity, not from reflection. These create a brief space to pause and reflect on what God is teaching us as leaders, as we hear the reflections of others. More information available from www.firestartersuk.com



Ministries

The Ministries Team works in collaboration with the 13 regional associations and five colleges in supporting the training and ongoing development of accredited ministers, nationally recognised preachers, pastors and pioneers to serve within Baptist churches, in a wide range of chaplaincies, trans-locally, in church planting and pioneering, and other contexts.

Ministries Statistics



A baptism at Mill Hill East Baptist Church

Selection

The new, common process for discerning the initial call to ministry is now well established in all the regional Ministerial Recognition Committees. The Marks of Calling that define the criteria for selection are available on the Baptists Together website for candidates to view. We continue to refine the process in discussion with the associations.



Minister Graham Watkins (left) at Ozzy Road Baptist Church with guests at the Recovery Project

Formation

BU Council in November 2019 responded to the current shortage of Baptist ministers which is keenly felt by some churches seeking ministry. Though the number of new ministers-in-training increased in 2019, the age profile of our ministers suggests that without action, the shortage will worsen in the immediate years ahead. Council noted that the cost of training is a stumbling block for many who might be considering ministerial formation in one of our colleges. As a result, a new task group will meet through 2020 to consider methods of funding formation. The Ministries Team also supported initial discussions about pathways into Baptist ministry for young adults thinking about God’s call on their lives. And we created an online guide to the full range of training options available from our colleges.

Development

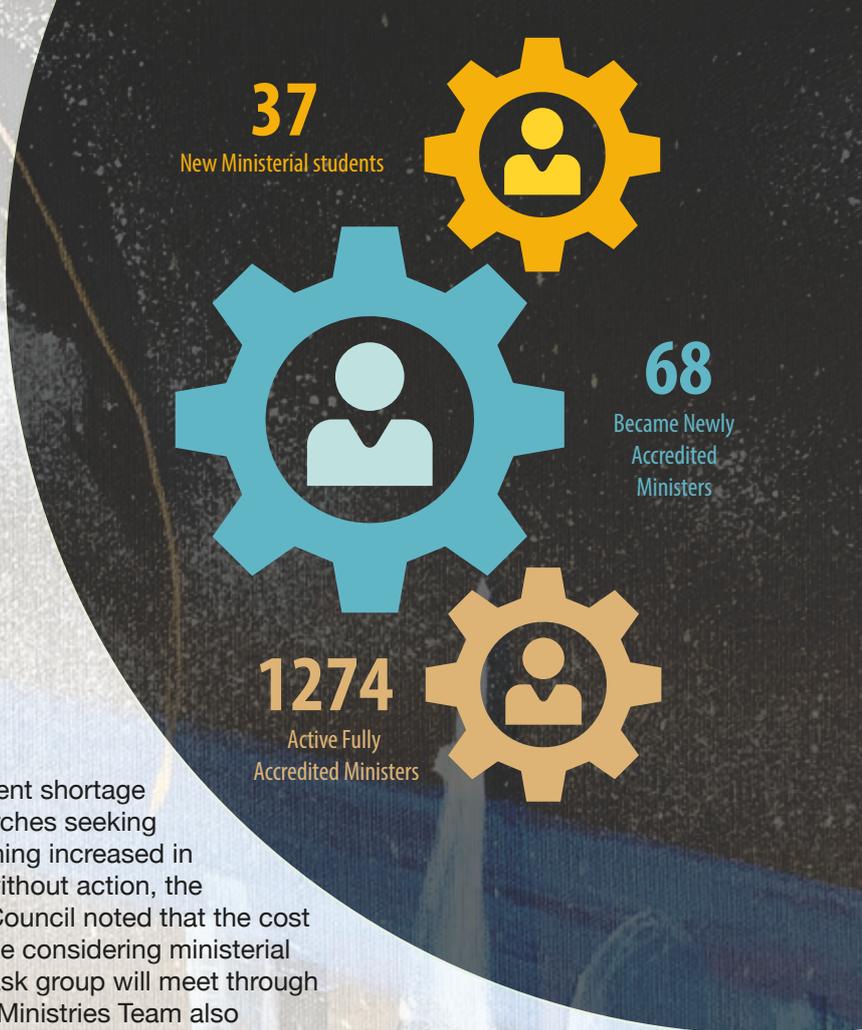
The Ministries Team expanded in the autumn to include the new role of Ministerial Development Adviser. Tim Fergusson began work on the implementation of the final phase of the Ignite Report by creating a framework for continuing ministerial development (CMD). Based on the successful scheme already in place in the Baptist Union of Scotland, the scheme will be introduced through 2020. We are aiming for CMD to quickly become the normal expectation for accredited ministers. It will also be offered to unaccredited pastors and pioneers serving in a Baptist context.

Support

We continued to support those in chaplaincy including a gathering of all available chaplains at the Assembly in May. The Sector Conveners Group was renamed the Chaplaincy Forum. They agreed a clearer brief to promote and support all forms of chaplaincy across the Baptist family.

The Ministries Team has continued to administer the Churches’ Ministerial Counselling Service on behalf of several denominations. Through 2019, 97 ministers or members of their households were able to access subsidised confidential counselling as a result.

Settlement - 98 churches have engaged with the Settlement Process and 89 accredited ministers have settled. We’re grateful to Robin Urwin for all his work in administering the settlement process over many years before moving to the NWBA. Rachel Tole is now the administrator.





The Faith and Society Team has continued to support our churches, regional associations and colleges with resources and initiatives to enable their mission and ministry.

This enables Baptists Together to play its full part in the wider Church, offering the distinctive insights that reflect the local nature and impact of our Baptist churches as we seek to resource and promote engagement with local communities and activity which provides benefit to wider society.

Through 2019 we helped support the key priorities of engaging with the digital revolution and younger adults. We did this by adding to our team and reflecting on a national communications survey. We also invested in our social media channels, particularly Instagram.

Baptists Together Website

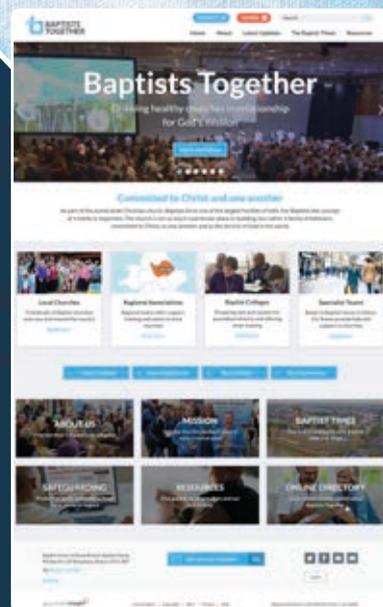
During 2019, we worked with our website developers, ChurchInsight, to update the look and feel of our website in an attempt to improve navigation around the site and refresh its look. With their help, we are continually updating the site to keep it up-to-date and maintain a contemporary feel.

Our website, www.baptist.org.uk contains a wealth of information, not only for church members and ministers looking for guidance and news of events, but also for members of the public looking for information about our vision and values to help them find out what it means to be a Baptist follower of Jesus.

With over 6000 pages within the site, we realised that finding the right information could be difficult – although our ‘search’ facility is usually a good starting point – and so we have moved to a ‘card’ design from our homepage to help users navigate to what they need. There is also a drop-down menu available from the top ribbon, and the option to contact individual Associations, Safeguarding contacts and Specialist Teams from the button at the top.

As well as information about who we are as a Union, our website also includes the online Baptist Times with news, opinions and features; The Baptist Assembly; our Resource Library with over 500 freely downloadable resources on a range of topics, and our online shop.

Please take the time to explore our website to find inspiring and helpful material to share with your church. And if you have a story to share, please let us know at faithandsociety@baptist.org.uk



6000+
pages on the Baptists Together website

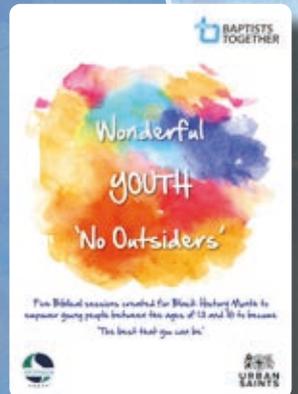
14000
followers on social media

62000
views of the top 10 2019 Baptist Times articles

Resourcing

During 2019 we have added to the range of freely available resources for churches through our Resource Library. Our regular additions include the Baptists Together magazine three times each year, and our monthly prayer diary. We also provide resources to enable British Baptist churches to engage in the Baptist Women's World Day of Prayer.

Over the past two years, a small team of contributors from some of our multicultural churches have been working on Wonderful Youth – five sessions for use by youth group leaders with young people aged 13-16. These have been written to explore and celebrate the contributions from people of colour and equip young black and minority ethnic people to appreciate and love God's word and be 'the best that you can be'. Although they were published in time to be used in October (Black History Month) they can be used by youth leaders at any time of year. Two editions are already available – the 2018 version using themes from Ephesians 1: 1-14, and the 2019 on the theme of 'No Outsiders'. A third set of sessions is being written for 2020. See www.baptist.org.uk/wonderfultyouth



Baptist Christians in the UK are likely to encounter people of various religion and belief traditions in a whole variety of ways and contexts. Our Inter Faith Group also developed some new resources in the Encountering other faiths range – which now includes Encountering... Buddhists, Hindus, Jews, Muslims and Sikhs. These helpful leaflets are a good aid to dialogue with our neighbours. See www.baptist.org.uk/interfaithresources



Connecting

It is important that Baptists Together are represented at national and international groups and organisations. This helps with the exchange of creative ideas and resource sharing. Faith and Society manage the appointment and support of representatives, making sure there is a good two-way flow of information and stories to both inform and encourage our mission and work.

In 2019 we were represented at the European Baptist Federation Council meetings in Glasgow, at the Baptist World Alliance Annual Gathering in the Bahamas, and at a number of UK ecumenical meetings and conferences



We also belong to the Joint Public Issues Team, a Baptist, Methodist, United Reformed Church and Church of Scotland collaboration which provides resources and speaks out on issues of justice, social affairs, peace-making, international affairs and the environment.



Safeguarding

In 2019 more than 9,500 people have attended our Excellence in Safeguarding training programmes, with 2,500 church ministers and leaders attending the Level 3 programme. Based on our statistics for those in formal membership of Baptist churches, at least 1 in 6 of all church members have been through our new safeguarding training in the last 3 years. Our statistics also show that approximately 93,000 children and young people come to a Baptist church led activity or event during the year. At present 21,000 church leaders, staff and volunteers have received recent training in the last three years.

We are thankful for the 150 safeguarding trainers now offering training through their regional associations, and for the 15 new trainers who joined our training team in 2019.

In 2019, more than 11,000 DBS checks on church workers and volunteers have been carried out through our DBS service contract with DDC Ltd. This contract is paid for by Baptists Together and offers DBS checking services to all Baptists Together member churches.

21,000
church leaders, staff and volunteers have received training in the last three years

150
safeguarding trainers now offering training through their regional associations

2,500
church ministers and leaders attended the Level 3 safeguarding training

Human Resources

We continue to provide specialist HR advice to Baptist churches in England and Wales, with 120 churches seeking advice and support during 2019. From queries about good recruitment practice to the challenges of team restructuring and redundancy, churches are keen to comply with the law and to apply best practice in the way they treat their staff.



25%

Increase in attendance

35

seminars on
a range of
topics

Baptist Assembly

The 2019 Baptist Assembly took place at the Telford International Centre on Saturday 11 and Sunday 12 May with over 1,000 delegates in attendance across the two-day event. The 2019 event was the first of a new two-day format for Assembly and we consider it a success with around 25% more in attendance than 2018.

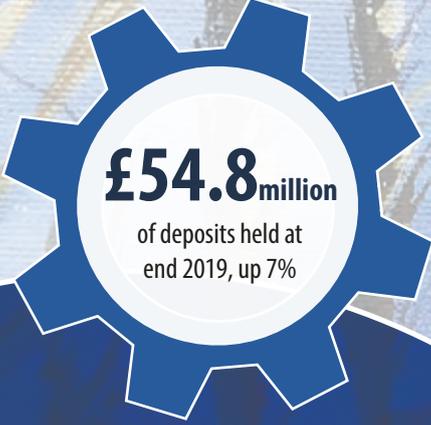
The Assembly is a joint endeavour with BMS World Mission which aims to Equip, Inspire and Connect the Baptist family. The Saturday featured a Networking Zone with stands representing organisations and groupings from across our Baptist family. There were worship sessions with Graham Kendrick and Harry & Chris and an extensive seminar programme.

The Saturday Evening Celebration included the recognition of new ministers and mission personnel, the commemoration of the lives of ministers and mission personnel who had died in the last year and the induction of Ken Benjamin as President. The address was given by Lisa Holmes who urged us to be secure in our identity in Jesus, get rid of things that hinder, deal with our sin - and keep running the race. Sunday featured worship and prayer, an update from BMS World Mission and the AGM of the Baptist Union.

Unfortunately, the Baptist Assembly planned for May 2020 in Bournemouth has been cancelled due to the Coronavirus pandemic. We are considering having a scaled-down meeting in the autumn of 2020, depending upon the guidance on gatherings from the UK Government. We are looking forward to holding a full-scale Baptist Assembly in Telford in May 2021.

32

organisations
and groups
represented in the
Network Zone



Financial Services for churches

The Support Services Team continues to operate the Baptists Together Deposit Scheme and Loan Fund on behalf of the Baptist Union Corporation.

The Deposit Scheme continued to offer highly competitive rates of interest of up to 1.35% on deposits with Baptist Union Corporation during 2019. The scheme continues to prove valuable to churches, with deposits increasing by 7% to £54.8m. We paid out over £520,000 to Baptist organisations in interest to support their work.

Deposits under the Deposit Scheme provide the funds to make loans to Baptist organisations. Loans to churches such as Bexhill-on-Sea (see page 33) support the acquisition and development of churches and manses and the settlement of pension debt. Loans are offered with competitive interest rates and much lower fees than typical commercial lending.



We also make loans to other Baptist organisations, with £2m on loan to the Retired Baptist Ministers' Housing Organisation to support its work in housing retired ministers, £20m to support the Pension Family Solution and £1.4m to Spurgeon's College to support their work. Overall loans increased by 2% to £38.7m.



Photo: St John's Baptist Church 'Good seed' by Chris Duffett

Bexhill-on-Sea

In June 2019, St John's Baptist Church, a Pioneer Church Plant in Bexhill-on-Sea, applied for a loan of £200,000 from the Baptists Together Loan Fund to help purchase a former United Reformed Church (URC) building where they had been meeting as tenants. They had only a short window to secure funding to complete the purchase from the URC.



Working in partnership with South Eastern Baptist Association (SEBA) we were able to arrange the funding rapidly, agreeing the loan in August and completing the purchase in December. The project, which was recognised as SEBA Project of the Year 2019, has built a business plan to support the loan based primarily on income from the community use of the premises.

St John's was only officially established in 2017, so the purchase of these premises is a huge step forward for such a young church. The St John's Centre, as it is now known, is used virtually every day of the week, including hosting Bexhill Street Pastors. St John's is touching the lives of hundreds of people in the local community. The church are being creative in their outreach; the focal point on Sunday morning is their Café Church with a full English breakfast.

Specialist Advice and Support for churches

We continue to support churches with free advice and support on a range of specialist topics. Our aim is to provide a comprehensive suite of guidance to enable churches to operate effectively and substantially reduce their need to pay for external advice.

- We publish and maintain over **100 guideline leaflets** on topics including church finance, charity governance, legal and trust issues, listed buildings, property and tax.
- We also provide **bespoke advice** to support churches where they have specific queries or complex issues not covered by our leaflets, which is provided via phone, email and site visits as appropriate. The scope of work we can carry out is supported by two of our staff holding Legal Practising Certificates issued by the Solicitors Regulatory Authority.
- During 2019 we continued our **programme of webinars** on a range of practical topics useful to churches. Six new webinars were conducted with further webinars scheduled in 2020. All our webinars are available for replay at www.baptist.org.uk/webinars and we typically see over 100 replays of each webinar.
- The Support Services team hosted a **seminar stream at Baptist Assembly 2019** for church secretaries, treasurers and other church leaders to equip them for their roles.
- We delivered two **CIO training days** to provide detailed support to churches working towards becoming a Charitable Incorporated Organisation (CIO).

100+

Guidance leaflets published

6

webinars hosted



Supporting Baptists Together

The Support Services Team supports the internal operations of Baptists Together and the Baptist Union charity itself. This includes

- Administration of the Home Mission Fund to bring together the funds collected by regional associations and distribute them according to the agreed funding formula.
- Collection of Subscriptions from member churches, associations, colleges and personal members.
- Operation of the Collaborate database which is a national web-based database of our churches and ministers, which is accessible to staff in the Specialist Teams and Regional Associations, enabling the teams to work more efficiently.
- Operation of the IT that supports Baptists Together.

Conversion of the Baptist Union to a CIO

A key ongoing project throughout 2019 has been to change the legal structure of the Baptist Union of Great Britain to a Charitable Incorporated Organisation (CIO), which is more suitable for a charity of our size and complexity. Following the approval of the CIO constitution at Baptist Assembly 2018 the CIO, also called 'The Baptist Union of Great Britain', was registered by the Charity Commission on 2 January 2019 with charity number 1181392. The transfer of assets, liabilities and operations of the Baptist Union to the CIO was completed on 1 January 2020. A simplified constitution for the unincorporated charity will be presented for approval at the next Baptist Assembly in order to reduce the administrative burden of operating this entity.



**Family
Solution**



Pensions

Following the agreement of the Family Solution for the Baptist Pension Scheme (BPS) in April 2018, the Union made £33m of cash contributions in December 2018. This was part funded by a £20m loan from RBMHO. The Union is due to pay a further £0.5m by the end of 2023.

Using the funds received by BPS under the Family Solution, and with the support of the Union, in December 2019 the BPS purchased a Bulk Annuity Policy in from Just Retirement Limited, a regulated UK insurance company for £135m. This policy will provide the BPS with an income which matches the pensions of all scheme beneficiaries who were drawing a pension as at July 2019. This policy passes the risk of around half of the scheme liabilities to Just Retirement Limited, substantially reducing the risk sitting with Baptist churches and other employers in the scheme. As a result of the purchase of the Bulk Annuity Policy the estimated deficit in the BPS fell to under £30m on a technical provisions basis at the end of 2019 (down from just under £50m at end 2018). On a buy-out basis, which forms the basis for the debt figures reported to churches and other employers, the total deficit fell by a third from £78m to £51m during the year.

During 2020 the scheme will be going through the process of its triennial valuation to formally review the assets and liabilities of the scheme as at 31 December 2019. This process will review all the scheme assumptions and the Union and BPS trustees will aim to agree an updated deficit recovery plan. We hope to complete this process by the end of 2020.

The BPS Employers' Group in partnership with BPS has been reviewing the Defined Contribution section to ensure it meets the needs of employers and members. This review continued during 2019 and is expected to conclude in 2020.

£27 million

reduction in deficit on a
buy-out basis

Baptist Union Staff Pension Scheme (BUSPS)

Following the signature of a contract with Aviva to take on the liabilities of the BUSPS, the scheme was formally wound up in September 2019. The costs of completing the wind up were in line with the provision in the Union's accounts at the end of 2018.

£135 million

bulk annuity policy
purchased



Property Trustee Services for churches

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

In 2019 we finalised the process of taking over trusteeship of all properties from the North West Baptist Trust Corporation. We operate the East Midland Baptist Trust Corporation on behalf of their Trustees. During 2019 we provided support to the Yorkshire Baptist Association Incorporated, but this arrangement is finishing in the first quarter of 2020 as the Yorkshire Baptist Association team take on full responsibility for their operation as a trust body.

As part of this service, we assist churches in the acquisition and disposal of properties, helping the church to comply with its trust deeds and Charity Commission requirements.

One of our key improvement projects in this area is the digitising of trust deeds to safeguard key church legal documents from deterioration and risk of fire and other damage, and to make them more readily accessible for churches. 94% of trust deeds were digitised at the end of 2019 and the project was completed in the first quarter of 2020.

As Property Trustee, we also support churches that are closing. Whilst it is always sad when a church closes, we wish to ensure that resources are efficiently recycled into future Baptist work. We advise churches on the closure process and then dispose of assets, settle any liabilities and distribute the remaining funds to beneficiaries of the relevant trusts.

Plans for the future

Here are some highlights from our plans for 2020 and beyond



For 2020 we want to continue to be a catalyst for inspiring, connecting and resourcing in our areas of strategic focus. In particular we aim to work collaboratively to develop Round Tables for Pioneering and for Young Adults, to help us strategically respond in these vital areas. Unfolding events of 2020 have highlighted our need to put an even stronger focus on the digital revolution and also to consider bringing the environment into our areas of strategic focus.



Over the coming year we'll be seeking to encourage ministers and churches to engage with the Continuing Ministerial Development framework, completing the review of the Settlement Process and seeking to enable more people to respond to a call to ministry.



In 2020 we will be producing an initial series of HR guides that will be available to all churches free of charge through our website. Our safeguarding focus continues to be on equipping churches, with updates of our existing training programmes and the addition of new materials for the Designated Person for Safeguarding in each church. During 2020 Baptists Together will contribute to the Independent Inquiry into Child Sexual Abuse hearings on Child Protection in Religious Organisations and Settings.



During 2020 we will respond to the challenges presented by the global pandemic of Covid-19 by sharing good practice and providing advice through the website and social media platforms. We will continue to raise awareness of justice and the experience of injustice through the work of the Centenary Enabler, Justice Enabler and Public Issues Enabler. The Faith and Society Team will work to enable the Baptist family as together we seek to express the gospel message in the places we have been called to serve.



Baptist Pension Scheme: During 2020 we will be working with the BPS Employers' Group and BPS Trustees on the scheme valuation as at 31 December 2019 and any associated deficit funding plan. We will also finalise the review of the defined contribution scheme in 2020.

Church Support: A key focus for the year ahead will be supporting churches through the expiry of the Exempting regulations that is likely to require most Baptist churches to register as charities with the Charity Commission.

“We had support from the whole family”

Last summer Spurgeon’s College faced an unexpected crisis when its application for registration was declined by the Office for Students (OfS). A unified Baptist response played a key role in resolving it



It was in early August 2019 when Spurgeon’s College discovered its application for registration had been refused by the Office for Students (OfS). The OfS, the higher education regulator in England, had determined that while the College had passed four of its five tests for registration, it had not met the financial sustainability test.

The finding had some immediate ramifications for Spurgeon’s, the UK’s largest Baptist College. Some of its students were now unable to access any kind of student loan or financial help from the Student Loans Company. Other students still eligible for loans were not able to access the anticipated full amount, leaving many uncertain about how they could continue their studies.

Spurgeon’s, whose core mission is to train men and women for Christian mission and ministry, stated it disagreed with the OfS’s findings, and began work on a revised application. As it did so, it appealed for support from the Baptist community – and began to receive it in a number of ways. There was a speedy practical response: trustees agreed to set aside £200k from Baptist Union reserves to replace the student loans and grants. Baptists Together staff liaised with the College to offer any assistance needed to deal with the immediate situation, and to progress the application for registration with the OfS.

Supporters wrote to the Minister of Universities to advocate on the College’s behalf. Many did so using a template letter created for the Baptists Together website. There were expressions of support from General Secretary Lynn Green and President Ken Benjamin, as well as partner Associations and BMS World Mission, with whom the College was about to enter a new partnership. Much prayer was sought (and offered) from the Baptist family and wider Christian community.

Images: Spurgeon’s Baptist College

All this had an impact. “We were able to use the almost instant response of the Baptist family in financially supporting students as evidence that Spurgeon’s College is an important part of the life of the Baptist family,” said Principal Philip McCormack.

“Indeed, we had support from the whole family, and I’d like to pay particular recognition to our partner Associations – SEBA, LBA and EBA – and BMS for the way they stood by us. We have a new partnership, and they wanted the partnership to continue.

“The whole response was humbling and overwhelming. The College was able to cite the positive and practical response as evidence of the role the College plays in the life of Baptists Together.

“What’s more, the letters of support and practical response of many in the Christian family deeply encouraged staff and students in what was a deeply challenging period.”

A new application was submitted, following considerable efforts on the part of College staff and governors. This application was supported by a significant funding facility provided to the College by the Baptist Union Corporation to ensure that the College could comply with the OfS financial sustainability test. In late November Spurgeon’s learnt that this application had been successful.

In a public statement, the College expressed its delight with this decision, which would enable it to continue with its core mission of training men and women for Christian ministry with renewed determination, and thanked the OfS for working with it in a constructive manner.

Spurgeon’s has a number of exciting plans for the future. The partnership with BMS will result in the opening of a ministerial training hub at BMS’ site in Birmingham in September 2020, enabling the College to bring learning from the World Church and BMS’ missional experience to their students. The College is also redeveloping its campus in South Norwood, investing in technology to allow for greater scope and reach in its teaching, and creating a course that will underpin a new formation pathway for pioneering Baptist ministers.

“We as a College look forward to delivering our exciting plans for the future with renewed vigour and confidence,” said Philip.

He added: “The crisis Spurgeon’s faced wasn’t just a crisis for the College – it touched the lives of many students.

“The Baptist family responded with amazing love and generosity, in a way that was noticed and remarked upon by others in the Christian community and wider afield.”



The Retired Baptist Ministers' Housing Organisation (RBMHO)



RETIRED BAPTIST MINISTERS
HOUSING ORGANISATION

The Retired Baptist Ministers Housing Society (RBMHS) began in 1975 with the aim of ensuring that ministers coming to retirement, who did not have the means to provide their own housing, could enjoy a safe and secure future in their own home.

At the end of 2018, RBMHS, transferred its work to RBMHO, a newly formed Charitable Incorporated Organisation registered with the Charity Commission, which is governed by its own board of Trustees and is run independently from the Union.

RBMHO is self-financing and its ongoing work is only made possible by the continuing generosity of Baptist Churches, their fellowships and individual friends, who give donations, bequeath properties or leave legacies. In 1975, RBMHS started out with no properties of its own but by the end of 2019 RBMHO owned 255 properties, housing over 470 tenants and managed a further 7 properties on behalf of others. Thanks to God's goodness, RBMHO was able to support all 10 qualifying ministers who applied for assistance during 2019.

RBMHO also supports the Baptist family by provision of a loan to the Union as part of the Family Solution that is addressing the deficit in the Baptist Pension Scheme (see page 35)

RBMHO is delighted to build on the success of RBMHS in providing good quality homes at affordable prices and values its reputation of caring for its tenants. The organisation looks forward to continuing to serve God through its work with His servants. For more on the work of RBMHO, see www.rbmho.org

Jeremiah contains a lovely verse, "For I know the plans I have for you."

Coming up to retirement as a minister, my wife and I were seeking God for His provision as to how we would be able to settle near to our family. This had to be the year.

Having previously applied to RBMHS and making enquiries for a house, we waited on the Lord for clear guidance. No door seemed to be opening until a telephone call from Stewart Green came, were we still interested in help with housing? With Stewart's encouragement, reassurance and guidance, we began to look for a property.

After viewing several properties the right one came along, and we hoped that this was for us. An offer was made, but not accepted by the vendor. We made an affordable contribution to increase the offer and this was accepted. A survey was undertaken and all was well.

We felt tremendous relief that, as always, prayers had been answered. We are so grateful to RBMHO, Stewart and all concerned for this provision. We are very happy in our new home, and we are looking to the Lord for many years of blessing.

From Grateful Tenants (housed by RBMHO in 2019)

Home Mission Fund Review

The Home Mission Fund, which is the name given to the General Fund of the Union, showed an operating deficit of £0.11m, which was £0.03m worse than the £0.08m deficit in 2018.



The Home Mission Appeal, our largest source of income, continued its long-term decline, falling by £0.03m compared to 2018. Overall the Home Mission Appeal has fallen by 22% in ten years, when allowing for inflation. However, this was offset by increases in other forms of income. Excluding legacies, which are erratic in nature, overall income actually rose slightly to £4.99m from £4.98m in 2018. Legacies were substantially below the long-term average of £0.5m, resulting in a 5% decline in overall income.

The decline in overall income resulted in reduced grants to Regional Associations under the Baptists Together funding formula. The Specialist Teams also endeavoured to reduce their costs to match the decline in income and there was around £0.03m of cost incurred in the year relating to staff redundancies. Our overall target is to operate on a breakeven basis in the medium term.

Designated and Restricted Reserves

Pension Reserve: Across the Designated and Restricted sections, the Pension Reserve received total income of £1.42m comprising:

- £0.65m of proceeds from closures of churches where the Union is the beneficiary of the Ultimate Trust
- £0.17m of donations from Regional Associations and Colleges as part of the Family Solution
- £0.05m in gifts from churches.
- £0.55m from Baptist Union Corporation to support the interest costs on the loan from RBMHO.

Expenses totalled £0.82m comprising:

- £0.75m in interest on the loan from RBMHO,
- £0.05m on supporting churches with pension deficits and
- £0.02m on legal fees and expenses relating to pensions.

Across the Restricted and Designated sections, the Pension Reserve had a deficit balance of £17.93m, comprising the

- £20m liability RBMHO
- £0.50m provision for the remaining contribution due under the Family Solution,
- £2.57m in cash.

Of the cash balance, £0.76m is set aside in an escrow account to support the DC Section of the Baptist Pension Scheme in meeting the financial sustainability requirements of its Master Trust authorisation and therefore not available for general use.

Having made the payment of £33m to the Pension Scheme under the Family Solution at the end of 2018 from the Designated section of the Pension Reserve, the funds in the Restricted Section of this fund were reviewed and £0.52m transferred to the Designated section to offset the £20m loan from RBMHO that is held in the Designated section of the fund.

The long-term plan is to repay the £20m loan from RBMHO using anticipated future cash surpluses from RBMHO that will be shared with the Union under a memorandum of understanding between the Union's Trustees and the Trustees of RBMHO, which will resolve the deficit in the Pension Reserve Fund.

The Baptist Strategy Building Scheme: is a closed scheme which made interest free loans to churches for building works. Many loans have no active repayment plan and repayment plans are only put in place when it is felt that the church is able to afford it. Any loan without an active repayment plan is fully offset by a provision in the accounts as well as any repayments scheduled more than five years into the future. Repayments of £0.01m were received and the review of the provisions held at year end resulted in a reduction in the provision (shown in the accounts as a negative expenditure) of £4k. There were 25 loans outstanding at year end with a gross value of £1.05m (2018: £1.06m).

Designated and Restricted Reserves - continued

The Baptist House Reserve: which holds the assets involved in the Union's co-ownership with BMS World Mission of the Baptist House premises. £0.07m of depreciation was recorded against the fund and £0.02m of unused funds held for the refurbishment of the premises in 2017 were returned to the general fund.

Fixed Asset Reserve: holds the Union's other property assets. This fund transferred £0.37m to the Home Mission Fund through the sale of a residential property that was not replaced, due to reduced need for staff housing in a Regional Association and recorded £0.05m of depreciation against the properties, leaving a final balance of £4.15m (2018: £4.57m).

Pastoral Funds: The Pastoral Fund and Retired Ministers' Benevolent Fund continued to make grants for pastoral support of members of the Baptist family totalling £0.11m (2018: £0.03m). This included £0.04m of grants made to support Spurgeon's students who were unable to access student finance due to the delay in the college being registered by the Office for Students. During the year, the assets of the Baptist Holiday Fellowship, valued at £1.30m, were transferred into the designated section of the Pastoral Fund, in line with our strategy is to consolidate the funding for pastoral support into the Pastoral Fund as this allows greater flexibility in supporting needs that arise.

Strategic Projects Fund: The 2018 Home Mission Fund surplus of £0.19m was transferred into this fund adding to the opening balance of £0.06m. £7k was used to support the appointment of a Centenary Development Worker to build on the centenary of women in Baptist ministry, £5k was spent on promotion of legacies as a strategic income stream and £5k was spent investigating options around future funding of ministerial training, leaving a balance of £0.23m at the end of 2019.

Baptist Assembly: The operation of the Baptist Assembly event, which is jointly staged with BMS World Mission, is put through this fund. Income from the event was £0.04m and BMS World Mission contributed £0.01m. Staging the event cost a total of £0.07m, of which £0.05m was charged to the fund and the remaining £0.02m, representing the Union's share of the event deficit, was charged to governance costs in the Home Mission fund.



Subsidiary and Related Entities

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

The Union is involved in the following related companies and bodies:

- 1 Baptist Union Corporation Limited (BUC):** is a registered Charity (charity number 249635) and a Company Limited by Guarantee (company number 32743) and operates as a subsidiary of the Union. The members of the BUC are the persons who also serve as Trustees of the Baptist Union of Great Britain. The organisation's activities include holding as Custodian Trustee the property and investments of the Union and Baptist churches in trust with the BUC, together with trust funds in cash. The BUC recorded an operating surplus for 2019 of £0.26m (2018: 0.21m) which it transferred to the Union by way of a gift. The reserves at year end remained at £4.26m (2018: £4.26m).
- 2 The Retired Baptist Ministers' Housing Society (RBMHS):** The Society is a charitable Community Benefit Society registered with the Financial Conduct Authority under number 21462R. It is an exempt charity and as such is not registered as a charity with the Charity Commission. The members of the Baptist Union of Great Britain Council are the members of the Society. The society is now dormant, having transferred its assets, liabilities and operations to the Retired Baptist Ministers' Housing Organisation on 31 December 2018, which will continue its work. Its accounts are consolidated into the Union's accounts through the accounts of RBMHO which incorporate RBMHS under merger accounting.
- 3 The Retired Baptist Ministers' Housing Organisation (RBMHO):** is a Charitable Incorporated Organisation registered with the Charity Commission (charity number 1177649), which provides housing for retired Baptist ministers and their spouses. Eight of the 15 Trustees of RBMHO are appointed by the Trustees of the Union. On 31 December 2018 RBMHO took on the operations, assets and liabilities from its predecessor organisation, RBMHS. RBMHO is accounted for as a Restricted Fund within the Union's Consolidated Financial Statements. During 2019 RBMHO made a surplus of £1.00m (15 months ended 31 December 2018: £1.63m) and had total reserves at the year-end of £33.17m (2018: £32.16m).
- 4 The Baptist Holiday Fellowship Limited** The Union is the majority shareholder through the Baptist Union Corporation as custodian, and holds one deferred share of the issued share capital and has the right to appoint up to five of the Directors of the charitable company (company number 133395). The company made grants to support Baptist Ministers and their dependents until November 2019. During the year to 30 November 2019 the company made a surplus of £0.08m (2018: £0.27m) and had total reserves of £1.31m (2018: £1.23m). The Baptist Holiday Fellowship Limited accounts are consolidated with the Union's accounts. In December 2019 the company transferred its assets, liabilities and operations to the Pastoral Fund of the Union. The company was dissolved on 24 March 2020.

Subsidiary and Related Entities - continued

- **5 Baptist House Limited:** The Baptist Union Corporation Ltd is one of the two members of this Company Limited by Guarantee (company number 2366122), which operates Baptist House on behalf of The Union and BMS World Mission. The Baptist Union of Great Britain may appoint up to three of the six Directors of the company. The company recorded a comprehensive income of £0.033m (2018: comprehensive expenditure of £0.005m) and total reserves at the end of the period were £0.243m (2018: £0.276m). The Union's share of the results for the year to 31 October 2019 are included in the consolidated financial statements.
- **6 Baptist Pension Trust Limited:** This Company Limited by Guarantee (company number 03481942) is responsible for managing the administration and investments of the Baptist Pension Scheme. The Directors are the only members of the company. The Directors appoint Baptist Union-nominated Directors to the Board of the Company and at least one-third of the Board are member-nominated Directors as required by law. The results are not included in the Union's consolidated accounts.
- **7 The Baptist Assembly Limited:** This was a charitable Company Limited by Guarantee (company number 06782754). The Baptist Union of Great Britain was one of two members and appointed half the directors of this company which formerly managed the holding of an annual Assembly jointly between the Union and BMS World Mission. The Union's share of the results for the period to 31 October 2018 are included in the consolidated financial statements. The operations, assets and liabilities of the Company were transferred to the Union in 2018 and the company was dissolved on 19 February 2019.
- **8 The Baptist Times Limited:** The Baptist Union Corporation Ltd held 99% of the issued share capital of this company (company number 506798). The sole Director of the Baptist Times Limited was the Treasurer of Baptist Union of Great Britain. The Baptist Times Limited formerly published the weekly *Baptist Times* newspaper and retains an online presence on the Baptist Union website. The company ceased to publish the paper in January 2012 and was dissolved on 17 December 2019 having been dormant for some years.



Investment Performance

The governing documents give the Charity Trustees the power to invest in such securities and on such terms as the Charity may deem fit. The Trustees have delegated the detailed monitoring of the portfolio to the Finance and Audit Committee of the Union.

The investments are managed within ethical guidelines set down by Baptist Union Council. These comprise both positive and negative screening. In summary the positive screening means investing in companies or sectors which reflect Christian values in areas like environmental protection, supporting sustainable development, health, education, employment, human rights, good corporate social responsibility, good governance, financial transparency, anti-corruption controls, safe working practices, natural justice and sensitivity towards the communities in which their business operates. Our negative screening excludes companies with more than 10% of revenue in any of the following: gambling, pornography, the supply of tobacco products, alcoholic beverages, armaments, high interest rate lending, human embryonic cloning or genetically modified organisms (except where research is absolutely essential), companies involved in human exploitation or injustice. Where we invest in pooled funds these are screened to ensure that no more than 5% of assets in the fund are in companies that fail to meet the direct investment criteria. A review was undertaken by the Council in 2019 when in positive screening healthy food was added to health, and addressing modern day slavery was added to human rights to emphasise focus on these areas. In negative screening the extraction of coal and tar sands was added as a new area of exclusion along with other fossil fuel extraction unless these latter companies are considered to be moving significantly to sustainable energy policies.

Within the investment strategy, Schroders Plc have been appointed as investment managers with discretion over investments. Details of the investments are set out in note 14 to the financial statements. Our investments are managed in two portfolios, a general portfolio and an endowment portfolio. Both portfolios target performance of CPI+4% per annum net of fees over the long-term. The general portfolio has an income target of a 3.5% yield whilst the endowment portfolio targets a 3.0% yield. The Finance and Audit Committee has put in place composite benchmarks for Schroders as follows:

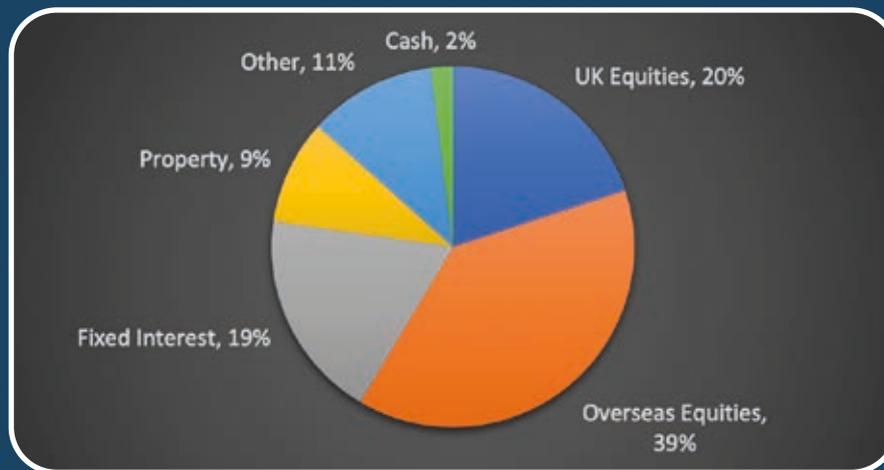
	General Portfolio	Endowment Portfolio
FTSE All Share Index	30%	30%
MSCI World ex UK Index	30%	30%
FTSE Actuaries British Government All Stocks Index	10%	5%
IBOXX Sterling (£) Non-Gilt All Maturities index	20%	20%
IPD property (UK) index	10%	10%
LIBOR	0%	5%

A summary of investment performance in the 12 months to 31 December 2019 is presented in the following table:

	2019 Performance	Composite Benchmark	Performance Vs Benchmark	Long-term target (CPI+4%)	Performance Vs. Long-term target
General Portfolio	11.6%	15.4%	-3.8%	5.4%	+6.2%
Endowment Portfolio	10.3%	15.0%	-4.7%	5.4%	+4.9%
Combined	11.4%	15.3%	-3.9%	5.4%	6.0%

Whilst last year's performance is disappointing compared to the composite benchmark, the Trustees' focus is on the longer term. Over a three-year period, performance in both General portfolio (+6.7% p.a.) and Endowment portfolio (+6.7% p.a.) exceeded the long-term target (+6.2% p.a.). The Trustees are pleased to note that the long-term performance overall exceeds composite benchmark despite a failure to reach benchmark last year. Regular meetings are held with the Investment Manager to review and challenge performance and the Trustees continue to have confidence in the management of our investments.

Actual consolidated Asset Allocation as at 31 December 2019 is shown below:



Approach to fundraising

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

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

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

Fundraising complaints are handled through our standard complaints procedure. No complaints relating to fundraising were received in 2019. Complaints are monitored and reviewed for any concerns in relation to fundraising practices, which would then be reported to the Trustee board.

Pensions

The Baptist Union of Great Britain is a participating employer in two defined benefit, multi-employer pension schemes:

Baptist Pension Scheme (BPS)

The BPS is recognised in our accounts as a liability based on a discounted cashflow of the contributions due under the agreed recovery plan in force at 31 December 2019, amounting to £0.33m (2018: £0.35m). A loss of £0.005m was recorded in the financial statements on the re-measurement of the liability. The Union has been provided with an estimated cost of settling its liabilities to the scheme at 31 December 2019 of £0.80m (2018: £1.27m).

In April 2018, BPS completed a triennial valuation of the scheme as at 31 December 2016. This showed a deficit of assets compared to liabilities of £93m. The associated schedule of contributions and funding plan was developed in consultation between the Pension Trustee and the Pension Employers' Group and approved by the Union, under which the Union agreed to contribute an additional £33.5m to the scheme by the end of 2023. The Union made additional contributions to the scheme of £33m in December 2018. The remaining £0.5m is anticipated to be paid during 2020 and has therefore been accounted for as a current liability at the end of 2018. This is in addition to continuing the current employer contribution plan until the end of 2028.

During 2019 £0.76m from the Pension Reserve was set aside in an escrow account to support the Baptist Pension Scheme in meeting the financial sustainability criteria necessary for obtaining Master Trust authorisation from the Pension Regulator. Master Trust authorisation is necessary to continue to run the Defined Contribution section of the scheme and was successfully achieved in September 2019.

Baptist Union Staff Pension Scheme (BUSPS)

The employers in collaboration with the scheme Trustees have completed a buy-out and wind-up of this scheme. In June 2018 a contract was signed with Aviva for them to take on responsibility for paying the scheme benefits and the trust was closed in September 2019.

A provision for liabilities relating to BUSPS of £0.37m was held at 31 December 2018. Expenditure against this provision of £0.36m was recorded in 2019 and the remaining provision released as a gain on actuarial remeasurement in the Statement of Financial Activities.

Policy on Reserves

During the year, the Trustees reviewed the reserves policy of the Union. The policy is put in place to ensure that the Union has sufficient free and available funds to cope with unplanned expenditure or an unforeseen drop in income. Having considered the risks relating to income and expenditure, the trustees consider that it is appropriate to hold between 6 and 12 month budgeted expenditure, based on the timescales they anticipate it would take to reduce ongoing cost commitments due to notice periods for staff (typically between 3 and 9 months) and suppliers (up to 12 months) and the time it would take grant recipients to adjust to any reduction (estimated at between 6 and 12 months). This equates to reserves in the range of £2.9m - £5.8m. The unrestricted free reserves, excluding Designated Income Funds and capital assets, totalled £8.3m at year end, giving an excess above the top end of the range stated in the reserves policy of £2.5m. The trustees feel it is appropriate to hold these additional funds to partially offset the significant deficit in the Pension Reserve Designated fund, which totalled £19.2m at the end of 2019 and to absorb any impact of the COVID-19 pandemic on the Union's finances.

The Union holds a number of Designated Income Funds which can be spent at the discretion of the Trustees in furtherance of the Union's objects. The Trustees note their obligations to justify the holding of such funds and the details of these funds are provided in note 22 to the financial statements.

Report of the Finance and Audit Committee

The Finance and Audit Committee continued to oversee the finances of the Union. The key elements of work of the Committee in 2019 were

- Monitoring the finances of the Union and Baptists Together as a whole
- Monitoring the performance of the Union's investment portfolio
- Conducting a review of our approach to management of investments and our investment managers which decided to retain our current approach and managers
- Reviewing the balance of cash and investments on the Union's balance sheet
- Reviewing the report of Moore Kingston Smith on the 2018 accounts and planning for the 2019 audit
- Reviewing the Risk Register and insurance cover
- Monitoring the position of the Baptist Pension Scheme in relation to the Family Solution and financial sustainability of the DC scheme for its authorisation as a Master Trust
- Reviewing the Terms of Reference of the Pastoral Fund in the light of the transfer of the assets of Baptist Holiday Fellowship into the Pastoral Fund
- Reviewing the policy for Association Housing

In the coming year the committee plan to review the Union's cyber security and information security position.

Structure, Governance and Management

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

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

Following an extensive consultation process, the Union registered a new Charitable Incorporated Organisation (CIO) with the Charity Commission on 2 January 2019, also with the name of The Baptist Union of Great Britain, registered charity number 1181392. This charity has the same charitable objects, trustees, governance structures and members as the Union. A copy of the full constitution of the CIO can be found at www.baptist.org.uk/constitution. On 1 January 2020 the assets, liabilities and operations of the Union were transferred to this entity, which is a more appropriate legal structure for a charity of our size and complexity.

It is anticipated that the existing unincorporated association charity will be kept to ensure the Union retains its entitlement to any future legacies and other rights and responsibilities. A simplified constitution for the unincorporated association will be proposed for approval to the next Assembly to simplify the administration and governance arrangements.

Baptist Assembly

As a membership organisation, the Union holds an annual Assembly to review the life of the Union. Under the Constitution, Members of Assembly consist of delegates of member churches, associations and colleges alongside ministers, officers of the Union and members of Baptist Union Council.

During the Assembly the President is inducted for the forthcoming year, and some formal business is carried out – the Treasurer elected by Baptist Union Council is affirmed, new General Secretaries are appointed, and any constitutional changes are voted upon.

The Assembly originally planned for 8-10 May 2020 has been postponed, but we hope to hold an Assembly in a more limited form in the autumn of 2020. However, the new President, Yinka Oyekan was inducted via an online gathering on 10 May 2020.





Baptist Union Council

The Baptist Union Council meets twice per year to set the broad strategic direction of our Union. The Council also oversees the work of the Ministerial Recognition Committee which administers the accreditation of Baptist ministers and church workers and the national recognition of preachers, pastors and pioneers. The Council also elects the Treasurer.

It has around 80 members consisting of:

- Three members nominated by each Regional Association
- One member nominated by each College
- The Trustees of the Baptist Union
- The members of the Baptist Steering Group
- The President, Ex-President and Vice-President of the Union
- Two representatives each of BMS World Mission, Baptist Union of Scotland, Baptist Union of Wales and a representative of Irish Baptist Networks
- Two ecumenical representatives
- Up to 12 co-opted members



A full list of Council members and a report from each BU Council meeting are available at www.baptist.org.uk/council.

Memberships and Associations

The Union is a member of the following bodies with which it collaborates in pursuit of its charitable objectives.

- Baptist World Alliance
- European Baptist Federation
- Fellowship of Baptists in Britain and Ireland
- Churches Together in England
- Churches Together in Britain and Ireland
- World Council of Churches
- Joint Public Issues Team (JPIT)
- The United Board which commends ministers to armed forces chaplaincy

Safeguarding Committee
was constituted in early 2019 and has oversight of the Union's National Safeguarding team and safeguarding policies.

Finance and Audit Committee supports the Trustees in overseeing the Union's financial reporting, planning, policy, audit, risk and compliance and investments.

Remuneration Committee makes recommendations to Trustees on pay and reward of staff of the Union.

Trustee Board

The Trustee Board comprises of a Moderator (Chair), the General Secretary, the Treasurer and up to nine other persons. The Trustees oversee the Baptist Union charity; in particular, the legal, financial and strategic life of the Union and have regard to the public benefit of the charity. Trustees oversee implementation of the broad strategic direction determined by the Baptist Union Council.

Our Trustees are unpaid, except the General Secretary as detailed in note 12 to the financial statements, where details of Trustees' expenses are also disclosed. To help the Trustee Board with governance of the charity, sub-committees have been put in place by the Trustees. In 2017 the Trustees carried out a governance review and agreed to adopt the Charity Governance Code in full.

Baptist Pension Scheme Employers' Group engages with the Baptist Pension Scheme on behalf of the Union and other employers and advises the Trustees on matters relating to the Scheme.

National Settlement Team facilitates the settlement of accredited ministers into the pastorates of member churches. It comprises the team leaders of each Regional Association.

Baptist Steering Group (BSG) acts as a key location of organisational leadership and coordination in Baptists Together, with a major focus on managing implementation. Membership of BSG is detailed in the Who We Are section of this report (p60).

Recruitment of Trustees

The General Secretary is appointed by the Assembly and the Honorary Treasurer is appointed annually by the Assembly. The Moderator (chair) and other Trustees are elected by the Council from a list of suitable nominations provided by the Key Roles Nomination Team. Applications are sought via advertising on the Baptists Together website, in email communications to our member churches and other suitable avenues.

The Trustees maintain a skills matrix and share this with the Key Roles Nomination Committee to help them identify any capability gaps.



Induction and Training of Trustees

New Trustees are usually familiar with many aspects of the Union's work prior to appointment. All Trustees receive an induction into the work of the Union by meeting senior staff and being advised of the general nature of their work.

They receive financial statements and other relevant documentation including a copy of the Charity Commission's publication CC3, *The Essential Trustee*. Formal training on financial matters is provided as appropriate. Following a governance review undertaken in 2017 a *Handbook for Trustees* incorporating the Charity Governance Code has been written and made available to new and serving Trustees. Trustees also receive training from time to time as a group and individuals to address any skills gaps identified.

Principal Risks and Uncertainties

All significant activities undertaken are subject to a risk review. Risks are identified, recorded in a risk register and ranked in terms of their potential significance and probability and then classified into Red, Amber and Green, with Red being the most severe. The risk register is reviewed by the Finance and Audit Committee and Trustees with Red Risks reviewed at every meeting and a full review carried out annually.

A specific review of risk has been carried out in the light of the COVID-19 pandemic and incorporated into the evaluation of risks. Risk (vii) below was added to the list of major risks following this review

Red risks and the plans and strategies for managing them are:

(i) Sexuality and diversity issues, the potential mishandling of which could cause a fracturing of the Baptist family due to the strongly held views on this issue. Over the last few years, following widespread consultation, Council issued a statement concerning the registering of buildings for same sex marriages and the Ministerial Recognition Committee has reviewed and updated Ministerial Recognition Rules and produced Ministerial Recognition Guidelines on this issue. Further resources to enable churches to reflect and engage in respectful dialogue on the wider issues of sexuality and gender identity are currently being produced. Trustees continue to monitor significant developments in this area.

(ii) Safeguarding of children and adults at risk. Focus on this area continues to ensure that the Baptist denomination provides a framework of best practice for protecting those who attend or come into contact with our churches and other bodies. Progress against the current Safeguarding three-year plan is reported to each meeting of the Trustee Board. A Safeguarding Committee has also been established by the Trustee Board to provide a linkage between the Trustees and this critical area of work.

(iii) Significant numerical decline: The numerical decline of members of our churches continues to be experienced for Baptists as with other historic denominations in the UK. To mitigate or reverse the decline we are encouraging pioneering mission, discipleship, younger leaders and embracing adventure through our values, communications, strategic working and investment of resources. We are also streamlining our core costs and looking for more resource-effective ways of mission and ministry across the Baptist family for the future.

(iv) Ineffective operation of collaborative leadership and working across Baptists Together, including lack of a common vision.

Trustees led a review of the composition of the Baptist Steering Group during 2019 to ensure it encourages collaborative working and will be implementing a revised model during 2020. We continue to work to make our vision, values, key areas of work and current priority areas more deeply embedded among us.

(v) Recruitment of ministers, which may not match demand from churches. We continue to monitor the balance of supply and demand for ministers through the settlement process, overseen by the National Settlement Team. The appointment of a Ministries Adviser (Ministerial Development) is enabling us to improve our communication for recruitment of ministerial students and also work with associations and colleges to strengthen recruitment.

(vi) Affordability of ministerial training, if Baptist Colleges can no longer sustain training for ministry at affordable cost. Following a review of funding for training at Baptist Union Council in November 2019, a working party has been established to investigate the situation and make recommendations back to Council. It is expected to produce an initial report in 2020 and final report in 2021.

(vii) One or more Regional Association becomes unviable, if one or more of our Regional Associations is unable to sustain their operations within the funding available to them, this could compromise the viability of the operating model of Baptists Together. This probability of this risk occurring has risen due to the Coronavirus crisis and the potential for a significant decline in income as a result. We are anticipating a review how financial resources are distributed and spending priorities once the impact on our income becomes clearer.

Grants

The Union makes grants as one of its ways to achieve its charitable objects. The largest grants made are those to fund the 13 Baptist Regional Associations in their work as part of Baptists Together, which totalled £3.14m in 2019. These grants are given on a formula agreed by the Baptist Steering Group to enable sharing the income of the Home Mission Fund.

The Union also makes other grants as follows:

Strategic Mission Grants: These grants are given to organisations to develop strategic mission projects. The allocation of grants from the budget of £0.13m is delegated to the Baptists Together Mission Forum under the supervision of the Baptist Steering Group.

Supporting other Baptist bodies and ecumenical bodies: We contribute to the running costs of various bodies of which we are members, through a membership subscription that we classify as a grant in our accounts as we receive no services in return for our contribution.

Supporting Ministerial Training: We make grants to individuals to support ministerial training. These include a book grant of £120 for all ministers in training, and a student bursary fund of £0.13m. Each of the five main training colleges are asked to oversee distribution of a proportion of these funds to students.

Further studies grants: We make grants to individuals to support post-graduate theological studies, including up to one PhD scholarship. The grants are made in response to applications by the Scholarship and Further Studies Committee, which is made up of representatives from each Baptist college and the Ministries Team.

Pastoral grants to individuals who are working in a Baptist church or other Baptist organisation: These grants are usually up to £1,500 and are made in response to an application or nomination that is recommended by a regional minister and approved by two Specialist Team leaders.

Volunteers

The Union is grateful for the support of volunteers in carrying out its work. Their main direct contribution is through serving on committees and working parties to support our work. Volunteers also make a significant contribution to our member churches, regional associations and other bodies within the Baptist family. Due to the wide range of different ways in which volunteers participate in our work, it is impossible to quantify their support.

Funds Held as Custodian Trustee on Behalf of Others

The Baptist Union Corporation holds financial assets as Custodian Trustee for 27 Baptist churches, all of which have the same objects as the company for the advancement of the Christian faith and its practice especially by the means of, and in accordance with, the principles of the Baptist denomination. The company acts solely as an Agent and carries no decision-making capacity.

The Baptist Union Corporation acts as property trustees for 1,042 churches and charity organisations. Arrangements are made for the safe custody of deeds and documents, with each set stored in a labelled packet, and included in an index system. For all financial accounts a separate account is kept for each beneficial owner and records are maintained of the beneficial owner of each account. A three-year project to digitalise key church property deeds was completed in March 2020.

The names of the churches and other charities for whom the Company acts as a Custodian Trustee are available at: www.baptist.org.uk/custodianlist2020. The organisations are all Baptist organisations and therefore have objects that are compatible with the charitable objects of the Company.

Type of Assets Held	£'000	Organisations
Cash Deposits	24	2
Income Units	585	12
National Savings Income Bonds	18	2
UK Equities	2,460	13
Total	3,087	29



Key Management Personnel Remuneration

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

All staff and appointed ministers of the charity are employed by the Baptist Union of Great Britain and the arrangements for setting the pay and remuneration are the responsibility of the Trustee Board. A Remuneration Committee advises and makes recommendations to the Trustees. In line with the Pay and Reward Policy Statement approved by the Trustees, remuneration is benchmarked against information relevant to the sector and affordability to the Union. The aggregate amount paid to key management personnel during the year was £228,308 (2018: £224,431).

Who We Are

The Baptist Union of Great Britain, registered charity number 1125912.
Operating as a Charitable Incorporated Organisation from 1 January 2020, registered charity number 1181392.
Registered and Principal Office: Baptist House, 129 Broadway, Didcot, Oxfordshire OX11 8RT.

TRUSTEES

Mrs Christina Carter
Mr Paul Coleman (resigned 19 November 2019)
The Revd Andrew Cowley
Mrs Marion Fiddes (resigned 31 August 2019)
The Revd Lynn Green (General Secretary)
The Revd Phil Jump
Mr John Levick (Treasurer)
The Revd Philip Lutterodt
The Revd Prof Philip McCormack
Mr Alastair Mitchell-Baker (Moderator)
Mr Mark Spriggs
The Revd Diane Watts (resigned 29 November 2019)

BAPTIST STEERING GROUP

The Revd Adrian Argile
The Revd Phil Barnard
The Revd Nigel Coles
The Revd Stuart Davison
The Revd Graham Ensor
Mrs Marion Fiddes (resigned 31 August 2019)
The Revd Dr Steve Finamore
The Revd Lynn Green
The Revd Claude Halm
The Revd Andy Hughes
The Revd Stephen Keyworth
The Revd Beth Powney
Mr Richard Wilson

SENIOR STAFF

The Revd Lynn Green (General Secretary)
The Revd Andy Hughes (Team Leader Ministries)
The Revd Stephen Keyworth
(Team Leader Faith and Society)
Mrs Rachel Stone
(People Support and Safeguarding Manager)
The Revd Diane Watts (Interim Team Leader Faith and Society, from February 2020)
Mr Richard Wilson (Team Leader Support Services)

CUSTODIAN TRUSTEES

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

PRINCIPAL BANKERS

HSBC, 186 Broadway, Didcot, Oxfordshire OX11 8RP

AUDITORS

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

SOLICITORS

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

SURVEYORS

Rapleys LLP, 33 Jermyn Street, London SW1Y 6DN

INVESTMENT MANAGERS

Schroders Investment Management Limited, 1 London
Wall, Barbican, London EC2Y 5AU

TRUSTEES' RESPONSIBILITIES

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

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

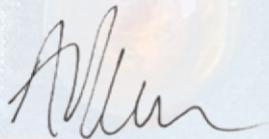
- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP 2015 (FRS 102)
- Make judgements and estimates that are reasonable and prudent
- State whether applicable accounting standards have been followed, subject to any material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

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

In so far as the Trustees are aware:

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

On behalf of the board



Alastair Mitchell-Baker
Moderator

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE BAPTIST UNION OF GREAT BRITAIN

Opinion

We have audited the financial statements of the Baptist Union of Great Britain for the year ended 31 December 2019 which comprise the Consolidated and Parent Statements of Financial Activities, the Consolidated and Parent Balance Sheets, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group and charity's affairs as at 31 December 2018, and of the group and charity's incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 55, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

Use of our report

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

Moore Kingston Smith LLP
Statutory auditor

Moore Kingston Smith LLP
13 July 2020

Devonshire House
60 Goswell Road
London
EC1M 7AD

Moore Kingston Smith LLP is eligible to act as auditor in terms of Section 1212 of the Companies Act 2006.

BAPTIST UNION OF GREAT BRITAIN

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 DECEMBER 2019

	Notes	Unrestricted Funds £'000	Designated Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2019 £'000	Total 2018 £'000
Income							
Donations and legacies	2	4,573	151	397	-	5,121	5,503
Charitable Activities	3	890	835	623	-	2,348	3,224
Investment income	4	450	29	9	37	525	890
Other income	5	49	51	-	-	100	118
Total Income		5,962	1,065	1,029	37	8,094	9,735
Less share of gross incoming resources from Joint Venture		-	(166)	-	-	(166)	(194)
Total Net Income before Joint Arrangement share		5,962	900	1,029	37	7,928	9,541
Expenditure							
Raising funds	6	45	5	-	7	57	99
Charitable activities	7	6,297	297	494	-	7,088	40,758
Other expenditure	9	-	-	-	-	-	-
Total Expenditure	8	6,342	302	494	7	7,145	40,857
Net income before gains/ (losses) on investments, Fixed Asset Sales and Joint Arrangement share							
		(197)	597	535	30	783	(31,316)
Net interest in the results of the year for the joint venture		-	(16)	-	-	(16)	31
Net gains on investments	14	532	70	6	79	687	49
Net gains on sale of fixed assets		34	-	555	-	589	749
Net income before transfers		187	651	1,097	109	2,043	(30,487)
Transfers between funds	20, 21, 22	(734)	1,377	(613)	(30)	-	-
Net income before other recognised losses		(547)	2,028	483	79	2,043	(30,487)
Actuarial gains on defined benefit pension schemes	19	4	-	-	-	4	1,508
Net movement in funds		(543)	2,028	483	79	2,047	(28,979)
RECONCILIATION OF FUNDS							
Total funds brought forward		13,169	(10,532)	32,797	1,030	36,464	65,443
Total funds Carried forward		12,626	(8,504)	33,280	1,109	38,511	36,464

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

The notes on pages 67 to 84 form an integral part of these financial statements.

BAPTIST UNION OF GREAT BRITAIN

**STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED 31 DECEMBER 2019**

		Unrestricted Funds	Designated Funds	Restricted Funds	Endowment Funds	Total 2019	Total 2018
	Notes	£'000	£'000	£'000	£'000	£'000	£'000
Income							
Donations and legacies	2	4,830	1,969	78	-	6,877	5,453
Charitable Activities	3	161	669	-	-	830	1,598
Investment income	4	232	29	-	37	298	561
Other income	5	58	51	-	-	109	126
Total Income		5,281	2,718	78	37	8,114	7,738
Expenditure							
Raising funds	6	45	5	-	7	57	98
Charitable activities	7	5,358	1,050	80	-	6,488	39,391
Total Expenditure	8	5,403	1,055	80	7	6,545	39,489
Net income before gains/ (losses) on investments, Fixed Asset Sales and Revaluations							
		(122)	1,663	(2)	30	1,569	(31,751)
Net gains/(losses) on investments	14	533	70	-	79	682	(430)
Net gains/(losses) on sale of fixed assets		35	-	-	-	35	253
Revaluation of Investment Assets	14	-	-	-	-	-	263
Net income before transfers		446	1,733	(2)	109	2,286	(31,665)
Transfers between funds	20, 21,22	242	311	(523)	(30)	-	-
Net income before other recognised gains		688	2,044	(525)	79	2,286	(31,665)
Actuarial gains on defined benefit pension schemes	19	4	-	-	-	4	1,476
Net movement in funds		692	2,044	(525)	79	2,290	(30,189)
RECONCILIATION OF FUNDS							
Total funds brought forward		7,671	(8,909)	722	1,030	514	30,703
Total funds Carried forward		8,363	(6,865)	197	1,109	2,804	514

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

The notes on pages 67 to 84 form an integral part of these financial statements.

BAPTIST UNION OF GREAT BRITAIN

CONSOLIDATED BALANCE SHEET AT 31 DECEMBER 2019

	Notes	2019 £'000	2019 £'000	2018 £'000	2018 £'000
Fixed assets					
Tangible assets	13	42,399		41,651	
Investments	14	10,625		9,983	
			53,024		51,634
Current assets					
Debtors	15	17,436		16,951	
Cash and Bank	16	24,251		19,487	
		41,687		36,438	
Current liabilities					
Creditors:					
Amounts falling due within one year	17	(55,866)		(50,890)	
			(14,179)		(14,452)
Total assets less current liabilities			38,845		37,182
Provision for liabilities					
Defined Benefit pension scheme liability	19		(334)		(718)
Net assets			38,511		36,464
CONSOLIDATED FUNDS					
Endowment funds	20		1,109		1,030
Restricted income funds	21		33,280		32,797
Designated funds	22		(8,504)		(10,532)
Unrestricted income funds			12,626		13,169
Total consolidated funds			38,511		36,464

The financial statements were approved by the Trustees on and signed on 29th June 2020 their behalf by



Alastair Mitchell Baker - Moderator



John Levick – Treasurer

The notes on pages 67 to 84 form an integral part of these financial statements.

BAPTIST UNION OF GREAT BRITAIN

BALANCE SHEET AT 31 DECEMBER 2019

	Notes	2019 £'000	2019 £'000	2018 £'000	2018 £'000
Fixed assets					
Tangible assets	13	6,099		6,590	
Investments	14	12,232		10,560	
			18,331		17,150
Current assets					
Debtors	15	1,677		1,556	
Cash and Bank	16	3,925		3,370	
		5,602		4,926	
Current liabilities					
Creditors:					
Amounts falling due within one year	17	(795)		(844)	
			4,807		4,082
Net current assets					
			23,138		21,232
Long-Term liabilities					
Loan	18		(20,000)		(20,000)
Provision for liabilities					
Defined Benefit pension scheme liability	19		(334)		(718)
Net assets			2,804		514
THE FUNDS OF THE CHARITY					
Endowment funds	20		1,109		1,030
Restricted income funds	21		197		722
Designated funds	22		(6,865)		(8,909)
Unrestricted income funds			8,363		7,671
Total charity funds			2,804		514

The financial statements were approved by the Trustees on and signed on 29th June 2020 their behalf by



Alastair Mitchell Baker - Moderator



John Levick – Treasurer

The notes on pages 67 to 84 form an integral part of these financial statements.

BAPTIST UNION OF GREAT BRITAIN

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Notes	2019 £'000	2018 £'000
Net income for the reporting year		2,043	(30,487)
Adjustments for:			
Net gains on investments		(687)	(49)
Net interest in result of Baptist House Limited		16	(36)
Net income before gains on investment		1,372	(30,572)
Adjustments for:			
Depreciation		160	189
Dividends and interest from investments		(525)	(890)
Net gains on sale of fixed assets		(589)	(749)
Net gains on exchange rate of investments		(42)	-
(Increase)/Decrease in debtors		(485)	(1,481)
Increase in creditors and provisions		4,976	4,673
Movement in defined benefit liability		(384)	(2,259)
Net cash provided by operating activities		4,483	(31,089)
Cash flows from investing activities			
Dividends and interest from investments		525	890
Proceeds from sale of property		2,462	1,958
Purchase of tangible fixed assets		(2,734)	(2,002)
Proceeds from sales of investments		2,241	11,780
Purchase of investments		(2,504)	(11,224)
cash withdrawn from investment managers		291	10,401
Net cash used in investing activities		281	11,805
Changes in cash and cash equivalents in the year		4,764	(19,286)
Cash and cash equivalents brought forward		19,487	38,773
Cash and cash equivalents carried forward	16	24,251	19,487

The notes on pages 67 to 84 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2019

1. ACCOUNTING POLICIES

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

(a) Basis of Accounting

The financial statements have been prepared in accordance with the Charities Statement of Recommended Practice (Charities SORP (FRS 102)), Financial Reporting Standard 102 and the Charities Act 2011. Baptist Union of Great Britain is a registered charity, no. 1125912, and meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

(b) Basis of Consolidation

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

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

The Trustees consider that there are sufficient reserves held at year end to manage any foreseeable downturn in the economy in the UK. In particular, the Trustees have considered the effect of the COVID-19 outbreak and the measures taken to contain it on the charity’s operations. The Union and the BUC have put together a package of measures to assist member churches, but at present the take-up of these measures has not significantly impacted the charity’s cash flows and the trustees do not expect the ongoing impact to be significant given the charity’s level of cash resources. The Trustees therefore have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. The charity has therefore continued to adopt the going concern basis in preparing its financial statements.

(d) Funds Accounting

- **Unrestricted Funds:** General unrestricted funds represent funds which are expendable at the discretion of the Union in the furtherance of the objects of the charity and which have not been designated for other purposes. These funds are known as the Home Mission Fund. Such funds may be held to finance both working capital and capital investment.
- **Designated Funds:** These represent amounts set aside by the Union for specific purposes as set out in note 22. They may be returned to General Funds at the discretion of the Union.
- **Restricted Funds:** These represent amounts which have been restricted by the donors for use for specific purposes as set out in note 21.
- **Endowment Funds:** These represent amounts where the income may be used but where the capital is not expendable as set out in note 20.

(e) Income

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

- Donations are accounted for gross when received.
- Legacies are accounted for at the earlier of the Estate accounts being finalised and notified, and cash received.
- Subscription income is accounted for gross when received.
- Funds received under Ultimate Trusts are accounted for when received.
- Interest receivable from loans is accounted for on an accrual’s basis.
- Accommodation fees charged on loans which remain undrawn after 6 months are recognised on an accrual’s basis.
- Trading income is accounted for in the period in which the associated event takes place.
- Investment income is accounted for when received or on an accruals basis where the amount can be measured reliably, and entitlement is certain.

(f) Expenditure

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

- Costs of raising funds represents publicity material and promotion of the Union and the Home Mission Fund, and investment management fees.
- Charitable activities represent expenditure in the furtherance of the object of the Union.
- Grants payable are agreed on an annual basis and accounted for in the year in which they are committed. Multi-year grants are subject to performance conditions and are only recognised to the extent that conditions under the control of the Charity are met.
- Support costs represent central finance and computer facilities, fixed asset depreciation, storage, insurance and stationery, together with an appropriate allowance for salaries and other office costs. Support and Governance costs are allocated to charitable activities in proportion to the direct charitable expenditure on that activity, where the charity considers that support costs are incurred as part of the delivery of that activity. Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

(g) Tangible fixed assets

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

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

Freehold residential buildings are maintained during the period of ownership such that the overall difference between residual values and carrying value are not material and as a result no depreciation is provided. Depreciation is provided on long leasehold properties over the remaining life of the lease. Annual reviews are undertaken by the Trustees at each balance sheet date to assess whether there is an indication of impairment. These reviews involve assessing current property market conditions and their impact on the estimated market values of the Union’s properties. Any material deficit between the anticipated recoverable amount of freehold property and its cost is recognised in the statement of financial activities

BAPTIST UNION OF GREAT BRITAIN

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2019

(h) Fixed asset investments

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

(i) Investment Property

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

(h) Debtors

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

(i) Cash at bank and in hand

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

(j) Creditors

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

(k) Financial instruments

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

(l) Employee benefits

The charity operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the charity pays fixed contributions into a separate entity. Once the contributions have been paid the charity has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the balance sheet. The assets of the plan are held separately from the charity in independently administered fund. Prior to 2012 pension provision was made through multi-employer defined benefit pension plans. Where it is not possible for the charity to obtain sufficient information to enable it to account for a plan as a defined benefit plan, it accounts for the plan as a defined contribution plan. Where the plan is in deficit and where the charity has agreed, with the plan, to participate in a deficit funding arrangement, the charity recognises a liability for this obligation. The amount recognised is the net present value of the contributions payable under the agreement that

relate to the deficit. This amount is expensed in the Statement of Financial Activities. The unwinding of the discount is recognised as a finance cost. A liability for the agreed pension scheme deficit plan of the Baptist Union Staff Pension Scheme has been included based on an estimate of the remaining costs to complete the wind up of the scheme. A liability for the agreed pension scheme deficit plan of the Baptist Pension Scheme has been included, in accordance with the Schedule of Contributions dated 31 December 2019.

(m) Taxation

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

(n) Judgement and Key Sources of Estimations Uncertainty

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

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

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2019

2. DONATIONS AND LEGACIES

Consolidated	Unrestricted Funds £'000	Designated Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2019 £'000	Total 2018 £'000
Donations	3,772	701	115	-	4,588	4,157
Legacies	287	-	282	-	569	835
Subscriptions	514	-	-	-	514	511
Gifts from other Baptist Constituents	-	(550)	-	-	(550)	-
Total	4,573	151	397	-	5,121	5,503

In 2018, £53k of charitable activities income was attributed to Designated Funds, £521k was attributable to Restricted Funds and the remaining £4,929k was attributable to Unrestricted Funds.

Charity	Unrestricted Funds £'000	Designated Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2019 £'000	Total 2018 £'000
Donations	3,772	1,969	78	-	5,819	4,150
Legacies	287	-	-	-	287	580
Subscriptions	514	-	-	-	514	511
Other Baptist Constituents	257	-	-	-	257	212
Total	4,830	1,969	78	-	6,877	5,453

In 2018, £53k of charitable activities income was attributed to Designated Funds, £294k was attributable to Restricted Funds and the remaining £5,106k was attributable to Unrestricted Funds.

3. CHARITABLE ACTIVITIES

Consolidated	Unrestricted Funds £'000	Designated Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2019 £'000	Total 2018 £'000
Publication sales	9	-	-	-	9	7
Rent	47	-	619	-	666	790
Funds received under Ultimate Trusts	-	654	-	-	654	1,492
Interest receivable from loans	645	-	-	-	645	567
Expenses receivable on trusts	74	-	-	-	74	111
Fee for operating gift aid scheme	4	-	-	-	4	4
Accommodation fees	-	-	-	-	-	6
Trading Income	105	-	4	-	109	51
Debt Recovered - BSBS	-	15	-	-	15	-
Other Income	6	-	-	-	6	2
Income: Joint Venture	-	166	-	-	166	358
Total	890	835	623	-	2,348	3,224

The Trustees of the Charity have agreed to designate monies received by the Charity as the beneficiary of Ultimate Trust provisions under the Trust Deeds of closing churches and other organisations, to the Pension Reserve Fund. In 2018, £1,671k of the charitable activities income was attributable to Designated Funds, £743 was attributed to Restricted Funds, and the remaining £810k was attributable to Unrestricted Funds.

BAPTIST UNION OF GREAT BRITAIN

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2019

3. CHARITABLE ACTIVITIES (continued)

Charity	Unrestricted Funds £'000	Designated Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2019 £'000	Total 2018 £'000
Publication sales	9	-	-	-	9	7
Rent	47	-	-	-	47	53
Funds received under Ultimate Trusts	-	654	-	-	654	1,492
Trading Income	105	-	-	-	105	46
Debt Recovery	-	15	-	-	15	-
Total	161	669	-	-	830	1,598

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

In 2018, £1,492k was attributable to Designated Funds, and the remaining £106k was attributable to Unrestricted Funds.

4. INVESTMENT INCOME

Consolidated	Total 2019 £'000	Total 2018 £'000
<u>Quoted Investments:</u>		
UK listed Bonds	62	100
UK listed Equities	74	107
Overseas listed Equities	93	132
Overseas listed Bonds	-	-
UK Property Unit Trusts	36	67
<u>Other:</u>		
Interest on Cash Deposits	194	381
Other	66	103
Total	525	890

In 2019 £450k (2018: £617k) of the investment income was attributable to Unrestricted income funds, £29k (2018: £236k) was attributable to designated income funds, £9k (2018: £3k) was attributed to restricted income funds, and the remaining £37k (2018: £34k) was attributable to endowment income funds.

Charity	Total 2019 £'000	Total 2018 £'000
<u>Quoted Investments:</u>		
UK listed Bonds	62	100
UK listed Equities	73	107
Overseas listed Equities	93	132
Overseas listed Bonds	-	-
UK Property Unit Trusts	36	67
<u>Other:</u>		
Return on investment in Baptist Union Corporation Ltd	-	49
Interest on Cash Deposits	16	85
Other	18	70
Total	298	561

In 2019 £232k (2018: £291k) of the investment income was attributable to Unrestricted income funds, £29k (2018: £236k) was attributable to Designated income funds, £nil (2018: £nil) was attributed to Restricted income funds, and the remaining £37k (2018: £34k) was attributable to endowment income funds.

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2019

5. OTHER INCOME

Consolidated	Unrestricted Funds £'000	Designated Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2019 £'000	Total 2018 £'000
Other income	49	51	-	-	100	118
Total	49	51	-	-	100	118

In 2018, £48k of other costs was related to Unrestricted funds, and the remaining £70 was related to Designated Funds.

Charity	Unrestricted Funds £'000	Designated Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2019 £'000	Total 2018 £'000
Other income	58	51	-	-	109	126
Total	58	51	-	-	109	126

In 2018, £56k of other costs was related to Unrestricted funds, and the remaining £70k was related to Designated Funds.

6. RAISING FUNDS

Consolidated	Unrestricted Funds £'000	Designated Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2019 £'000	Total 2018 £'000
Investment	41	5	-	7	53	94
Publication expenses	4	-	-	-	4	5
Total	45	5	-	7	57	99

In 2018, £6k of costs in relation to raising funds was attributable to Endowment funds, £42k was attributable to Designated funds, and the remaining £51k was attributable to Unrestricted funds.

Charity	Unrestricted Funds £'000	Designated Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2019 £'000	Total 2018 £'000
Investment	41	5	-	7	53	94
Publication expenses	4	-	-	-	4	4
Total	45	5	-	7	57	98

In 2018, £6k of costs in relation to raising funds was attributable to Endowment funds, £42k was attributable to Designated funds, and the remaining £50k was attributable to Unrestricted funds.

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BAPTIST UNION OF GREAT BRITAIN

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2019

7. CHARITABLE ACTIVITIES

Consolidated

	Unrestricted Funds £'000	Designated Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2019 £'000	Total 2018 £'000
Regional Association						
- Mission & Operations	3,158	-	-	-	3,158	3,368
Faith & Society						
- Team Costs	864	68	4	-	936	875
- Baptist Assembly	-	51	-	-	51	
- Ecumenical	59	-	-	-	59	56
- Other grants	93	-	-	-	93	93
Ministries						
- Team Costs	385	30	2	-	417	525
- Mission Grants	128	36	-	-	164	137
- Student Training	165	-	4	-	169	164
Safeguarding						
- Team Costs	480	37	2	-	519	509
Support Services						
- Advice & Information	27	11	-	-	38	151
- Pension Cost	-	5	51	-	56	33,504
- BSBS	-	-	-	-	-	-
- Benevolent Funds	14	59	3	-	76	19
Other						
- Retirement Housing	-	-	428	-	428	517
- BU Corporation	924	-	-	-	924	840
Total	6,297	297	494	-	7,088	40,758

In 2018, £549k of costs in relation to charitable activities was attributable to Restricted funds, £33,760k was attributable to Designated funds, and the remaining £6,449k was attributable to Unrestricted funds.

Charity

	Unrestricted Funds £'000	Designated Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2019 £'000	Total 2018 £'000
Regional Association						
- Mission & Operations	3,158	-	-	-	3,158	3,368
Faith & Society						
- Team Costs	864	68	4	-	936	875
- Baptist Assembly	-	51	-	-	51	
- Ecumenical	59	-	-	-	59	56
- Other grants	93	-	-	-	93	93
Ministries						
- Team Costs	384	30	2	-	416	525
- Mission Grants	128	36	-	-	164	137
- Student Training	165	-	4	-	169	164
Safeguarding						
- Team Costs	480	37	2	-	519	509
Support Services						
- Advice & Information	27	11	-	-	38	151
- Pension Costs	-	758	51	-	809	33,504
- BSBS	-	-	-	-	-	(24)
- Benevolent Funds	-	59	17	-	76	33
Total	5,358	1,050	80	-	6,488	39,391

In 2018, £46k of costs in relation to charitable activities was attributable to Restricted funds, £33,760k was attributable to Designated funds, and the remaining £5,585k was attributable to Unrestricted funds.

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2019

8. ALTERNATIVE ANALYSIS OF EXPENDITURE

Consolidated	Direct Charitable	Grants	Support Costs	TOTAL 2019	TOTAL 2018
	£'000	(note 24) £'000	(note 10) £'000	£'000	£'000
Regional Association					
- Grants & Operational Funding	21	3,137	-	3,158	3,368
Faith & Society					
- Team Costs	479	-	457	936	875
- Baptist Assembly	51	-	-	51	-
- Ecumenical	11	48	-	59	56
- Other grants	-	93	-	93	93
Ministries					
- Team Costs	213	-	204	417	525
- Mission Grants	-	164	-	164	137
- Student Training	169	-	-	169	164
Safeguarding					
- Team Costs	265	-	254	519	509
Support Services					
- Advice & Information	24	-	14	38	151
- Pension Costs	56	-	-	56	33,504
- Benevolent Funds	-	76	-	76	19
Other					
- Retirement Housing	371	-	57	428	517
- BU Corporation	863	-	61	924	840
	2,523	3,518	1,047	7,088	40,758
Cost of raising funds	57	-	-	57	99
Total	2,580	3,518	1,047	7,145	40,857

In 2018 £36,094k related to Direct Charitable expenditure, £3,632k to Grants and £1,131k to Support Costs

Charity	Direct Charitable	Grants	Support Costs	TOTAL 2019	TOTAL 2018
	£'000	(note 24) £'000	(note 10) £'000	£'000	£'000
Regional Association					
- Grants & Operational Funding	22	3,137	-	3,159	3,597
Faith & Society					
- Team Costs	478	-	457	935	875
- Baptist Assembly	51	-	-	51	-
- Ecumenical	11	48	-	59	56
- Other grants	-	93	-	93	93
Ministries					
- Team Costs	213	-	203	416	525
- Mission Grants	-	164	-	164	137
- Student Training	169	-	-	169	164
Safeguarding					
- Team Costs	265	-	254	519	509
Support Services					
- Advice & Information	24	-	14	38	151
- Pension Deficit	809	-	-	809	33,504
Cessation					
- BSBS	-	-	-	-	(24)
- Benevolent Funds	-	76	-	76	33
	2,042	3,518	928	6,488	39,391
Cost of raising funds	57	-	-	57	98
Total	2,099	3,518	928	6,545	39,489

In 2018 £34,822k related to Direct Charitable expenditure, £3,625k to Grants and £1,042k to Support Costs

BAPTIST UNION OF GREAT BRITAIN

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2019

9. OTHER EXPENDITURE

There was no other expenditure in 2019 (2018: £nil) for either the charity or the group.

10. SUPPORT COSTS

Consolidated

	Unrestricted Funds £'000	Designated Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2019 £'000	Total 2018 £'000
Staff	352	-	-	-	352	247
Depreciation	32	121	-	-	153	187
Property	61	-	-	-	61	39
Insurance	9	-	-	-	9	6
Printing and postage	9	5	-	-	14	30
IT	116	-	-	-	116	69
Other Office Costs	2	-	-	-	2	2
Bank charges	12	-	-	-	12	10
Office facilities	18	-	-	-	18	22
Strategic Projects	-	11	-	-	11	
Pension Deficit	11	-	-	-	11	270
Total	622	137	-	-	759	882
Governance costs						
Annual Assembly	23	-	-	-	23	1
Council	23	-	-	-	23	22
Committees	29	-	-	-	29	38
Auditors' remuneration (note 11)	50	-	7	-	57	86
Legal and Professional	74	-	58	-	132	80
Trustee Insurance	24	-	-	-	24	22
Total Governance costs	223	-	65	-	288	249
Total Support costs	845	137	65	-	1,047	1,131

In 2018, £41k of support costs were attributable to Restricted funds £160k were attributable to Designated funds, and the remaining £930k was attributable to Unrestricted funds.

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2019

10. SUPPORT COSTS (continued)

Charity

	Unrestricted Funds £'000	Designated Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2019 £'000	Total 2018 £'000
Staff	352	-	-	-	352	247
Depreciation	32	121*	-	-	153	187
Property	61	-	-	-	61	39
Insurance	9	-	-	-	9	6
Printing and postage	9	5	-	-	14	30
IT	116	-	-	-	116	69
Other Office Costs	2	-	-	-	2	2
Bank charges	12	-	-	-	12	10
Office facilities	18	-	-	-	18	22
Strategic Projects	-	11	-	-	11	-
Pension Deficit	11	-	-	-	11	270
Total	622	136	-	-	759	882
Governance costs						
Annual Assembly	23	-	-	-	23	1
Council	23	-	-	-	23	22
Committees	29	-	-	-	29	38
Auditors' remuneration	28	-	-	-	28	48
Legal and Professional	45	-	7	-	52	38
Trustee Insurance	14	-	-	-	14	13
Total Governance costs	162	-	7	-	169	160
Total Support costs	785	136	7	-	928	1,042

In 2018, £160k of support costs were attributable to Designated funds, £15k were attributed to Restricted funds, and the remaining £867k was attributable to Unrestricted funds.

11. NET INCOME FOR THE YEAR

	Consolidated		Charity	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
This is stated after charging/(crediting):				
Depreciation	153	187	152	187
Auditors' remuneration:				
Audit work	44	69	22	48
Non-audit work	6	-	6	-

12. EMPLOYEES AND TRUSTEES

	Note	Consolidated		Charity	
		2019 £'000	2018 £'000	2019 £'000	2018 £'000
Staff and appointed minister costs:					
Salaries and stipends		1,262	1,160	1,262	1,160
Social security costs		103	106	103	106
Pension costs	25	109	101	109	101
Other costs		6	-	6	2
		1,480	1,367	1,480	1,369
Less: Attributable to other Baptist entities		(462)	(418)	(462)	(435)
Total		1,018	932	1,018	934
Average number employees during the year:		42	39	32	30

BAPTIST UNION OF GREAT BRITAIN

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2019

12. EMPLOYEES AND TRUSTEES (continued)

One employee received emoluments in between the band of £60,000 to £70,000 during the year (2018: nil).

Total aggregate remuneration paid to key management personnel during the year was £228,308 (2018: £224,430).

Trustee emoluments, including pension contributions of £3,774 (2018: £3,838), were paid for one trustee (2018: 1), Rev. Lynn Green, amounting to £37,150 (2018: £38,395). Her appointment as trustee is in accordance with the Union's constitution. No emoluments were paid to any other trustees for their work as Trustees.

No trustees received any retiring ministerial removal grant (2018: £900), but one trustee received a Study grant of £600 (2018: nil) and one trustee received a grant of £300 (2018: nil) as a pastoral grant. Both the applications had been treated in exactly the same way as all other grant applications of that specific type.

A total of £5,765 was paid to 8 Trustees in reimbursement of travelling and subsistence expenses as Trustees (2018: £1,724 to 8 Trustees).

13. TANGIBLE FIXED ASSETS

Consolidated	Freehold Properties	Leasehold Properties	Computer Equipment	Furniture & Fittings	Total 2019
Cost	£'000	£'000	£'000	£'000	£'000
1 January 2019	40,789	1,055	146	79	42,069
Additions	2,239	448	47	-	2,734
Disposals	(1,692)	(141)	-	-	(1,833)
31 December 2019	41,336	1,362	193	79	42,970
Depreciation					
1 January 2019	197	54	132	35	418
Charge for the year	121	7	12	20	160
Disposals	(5)	(2)	-	-	(7)
31 December 2019	313	59	144	55	571
Net Book Value					
31 December 2019	41,023	1,303	49	24	42,399
31 December 2018	40,592	1,001	14	44	41,651
Charity					
Cost	£'000	£'000	£'000	£'000	£'000
1 January 2019	6,729	-	147	79	6,955
Additions	(15)	-	46	-	31
Disposals	(374)	-	-	-	(374)
31 December 2019	6,340	-	193	79	6,612
Depreciation					
1 January 2019	197	-	133	34	364
Charge for the year	121	-	12	20	153
Disposals	(4)	-	-	-	(4)
31 December 2019	314	-	145	54	513
Net Book Value					
31 December 2019	6,026	-	48	25	6,099
31 December 2018	6,532	-	14	44	6,590

The negative additions on Freehold Property was as a result of writing back retention monies relating to the refurbishment in 2017 not payable.

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2019

14. FIXED ASSET INVESTMENTS

Consolidated	Quoted at market value £'000	Cash with Managers £'000	Investment Property £'000	Total 2019 £'000	Total 2018 £'000
Balance at 1 January	7,510	290	2,045	9,845	20,029
Additions	1,190	1,314	-	2,504	11,224
Disposals	(1,052)	(1,189)	-	(2,241)	(11,780)
Transfer of Investment Property	-	-	-	-	723
Realised and unrealised gains/(losses)	690	(3)	-	687	50
Withdrawals	-	(291)	-	(291)	(10,401)
Balance at 31 December	8,338	121	2,045	10,504	9,845
Add / (deduct) share of net assets of Baptist House Limited				121	138
Total Fixed Asset Investments				10,625	9,983

Historical Costs of Investments 8,215

Charity	Unquoted at cost £'000	Quoted at market value £'000	Cash with Managers £'000	Investment in Property £'000	Total 2019 £'000	Total 2018 £'000
Balance at 1 January	1,777	7,483	313	987	10,560	20,938
Additions	-	1,190	1,291	1,059	3,540	11,246
Transfer of Investment Property	-	-	-	-	-	-
Disposals	(17)	(1,053)	(1,189)	-	(2,259)	(11,780)
Realised and unrealised gains/(losses)	-	685	(3)	-	682	(166)
Withdrawals	-	-	(291)	-	(291)	(10,401)
Balance at 31 December	1,760	8,305	121	2,046	12,232	10,560

Historical cost of investments 7,485 8,067

The following investments exceeded 5% of the total portfolio:	2019 £'000	2018 £'000
Royal London Ethical Bond Fund	1,243	1,210
Charities Property Fund	567	598

Unquoted investments at cost	2019 £'000	2018 £'000
Baptist Holiday Fellowship Limited	-	17
Baptist House Ltd	300	300
Baptist Union Corporation Ltd	1460	1460
Total unquoted investment at cost	1,760	1,777

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

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

- Baptist Union Corporation Limited is a company limited by guarantee, registered number 00032743, and a registered charity, number 249635. It has been consolidated on a line by line basis. During the year ended 31 December 2019 Baptist Union Corporation Limited made a surplus of £nil (2018: £nil) based on a turnover of £1,739k (2018: £1,067k), before consolidation. The company had capital and reserves of £4,264k (2018: £4,264k).

BAPTIST UNION OF GREAT BRITAIN

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2019

14. FIXED ASSET INVESTMENTS (Continued)

- Retired Baptist Ministers' Housing Organisation (RBMHO) is a Charitable Incorporated Organisation, registered charity number 1177649. It has been consolidated on a line by line basis. During the year ended 31 December 2019 RBMHO made a surplus of £1,008k (2018: £1,629k), before consolidation, and the Company had accumulated capital and reserves of £33,169k (2018: £32,161k).
- The Baptist Union of Great Britain appointed the majority of the Directors of Baptist Holiday Fellowship Limited, registered number 00133395, and registered charity number 270618. During the year, its assets, liabilities and operations were taken over by the Baptist Union of Great Britain, and is now administered through the designated Pastoral Fund. Baptist Holiday Fellowship Limited was subsequently dissolved on 24th March 2020.
- Baptist House Limited is a company limited by guarantee, registered number 02366122. The Union's share has been consolidated as a joint arrangement. During the year ended 31 October 2019 Baptist House Limited made a deficit of £33k (2018: surplus of £73k) and the Company had reserves of £242k (2018: £276k).

15. DEBTORS

	Consolidated		Charity	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Accrued income	308	397	237	384
Prepayments and other debtors	361	170	357	120
Loans to staff	33	33	33	33
Amounts owed by group entities	-	-	21	6
	702	600	648	543
Loans:				
- Baptist Strategy Building Scheme (BSBS) loans	54	58	54	58
- Baptist Union Corporation Ltd	-	-	975	955
- Manse Loans	4,537	4,521	-	-
- Church Loans	10,176	10,639	-	-
- Pension Loans	592	558	-	-
- Baptist Colleges	1,166	343	-	-
- Secured advances to churches	209	232	-	-
	16,734	16,351	1,029	1,013
Total	17,436	16,951	1,677	1,556

In respect of the outstanding BSBS loans of £54k, £10k is due to be repaid within 12 months (2018: £15k), £12k is due to be repaid between two and five years (2018: £12k), and £32k is due to be repaid in more than five years (2018: £31k).

In respect of the outstanding loans of £16,471k (2018: £16,060k), £2,376k (2018: £2,261k) is due to be repaid within 12 months, £1,957k (2018: £1,888k) is due to be paid within two years, £3,844k (2018: £4,366k) is due to be repaid between three and five years, and £8,294k (2018: £7,545k) is due to be repaid in more than five years.

Loans totalling £5,279k (2018: £2,427k) have been approved but not taken up as at 31 December 2019.

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2019

16. CASH AND BANK BALANCES

	Consolidated		Charity	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Short-term Deposits	13,411	2,319	2,925	3,370
Notice deposits	10,840	17,168	1,000	-
Total	24,251	19,487	3,925	3,370

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

Included within the total cash balance is £nil (2018: £nil) attributable to the endowment fund.

17. CREDITORS

	Consolidated		Charity	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Amounts falling due within one year:				
Accruals and other creditors	903	954	795	844
Trust accounts	11,746	12,253	-	-
Covenant Trust accounts	1	1	-	-
Loan fund deposits	41,232	35,895	-	-
Intercompany creditors	-	-	-	-
Loans	1,984	1,787	-	-
Total	55,866	50,890	795	844

Included in the Loans Fund deposits is £1,984k (2018: £1,686k) of interest free loans which represent contributions received towards the cost of properties which are to be repaid when the tenancy is terminated. These are shown as current liabilities as the dates of repayment cannot be determined.

18. LONG-TERM LIABILITY

	Consolidated		Charity	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Loan from Group Entity				
RBMHO	-	-	20,000	20,000
Total	-	-	20,000	20,000

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

19. PROVISION FOR LIABILITIES

	Consolidated		Charity	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Defined Benefit pension scheme liability				
Balance sheet liability at 1 st Jan	718	4,486	718	4,357
Deficiency contributions paid	(391)	(2,361)	(391)	(2,264)
Interest losses (recognised in Sofa)	11	102	11	101
Actuarial (Gains)	(4)	(1,509)	(4)	(1,476)
Balance sheet liability at 31st Dec	334	718	334	718

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

BAPTIST UNION OF GREAT BRITAIN

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2019

20. ENDOWMENT FUNDS

Consolidated and Charity	1 Jan 2019 £'000	Income £'000	Expenditure £'000	Gains and Losses £'000	Transfers £'000	31 Dec 2019 £'000
Sustentation Fund	1,030	37	(7)	79	(30)	1,109
Total	1,030	37	(7)	79	(30)	1,109

	Fixed Assets £'000	Investments £'000	Current Assets £'000	Total £'000
Sustentation Fund	-	1,104	5	1,109
Total	-	1,104	5	1,109

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

21. RESTRICTED FUNDS

	1 Jan 2019 £'000	Income £'000	Expenditure £'000	Gains and Losses £'000	Transfers £'000	31 Dec 2019 £'000
Pension Reserve	693	63	(59)	-	(523)	174
Retired Ministers' Benevolent Fund	29	-	(6)	-	-	23
Pastoral Fund	-	11	(11)	-	-	-
Retirement Courses	-	4	(4)	-	-	-
Total Charity	722	78	(80)	-	(523)	197
Remove on consolidation						
Pastoral Fund	-	(11)	11	-	-	-
Retirement Courses	-	(4)	4	-	-	-
RBMHO	32,075	966	(428)	561	(91)	33,083
Total Consolidated	32,797	1,029	(493)	561	(614)	33,280

	Fixed Assets £'000	Investments £'000	Current Assets £'000	Total £'000
(a) Pension Reserve			174	174
(b) Retired Ministers' Benevolent Fund			23	23
Total Charity			197	197
(e) RBMHO	36,300	32	(3,249)	33,083
Total Consolidated	36,300	32	(3,052)	33,280

- (a) The Pension Reserve has been established to support the Baptist denomination in addressing the issues relating to the deficit in the Baptist Pension Scheme. Funds are intended to be used to (1) clear the debts to the scheme of closed churches where no other funds are available, in order to avoid the Pension Trustees having to pursue individual church trustees for repayment, and (2) provide funds to reduce the overall deficit in the Baptist Pension Scheme.
- (b) The Retired Ministers' Benevolent Fund assists retired ministers on the accredited list.
- (c) The Pastoral Fund exists for the relief of need, hardship or distress.
- (d) The Retirement Courses Fund exists to assist ministers prepare for their retirement.
- (e) RBMHO provides housing for retired Baptist ministers and their spouses.

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2019

22. DESIGNATED FUNDS

	1 Jan 2019 £'000	Income £'000	Expenditure £'000	Gains and Losses £'000	Transfers £'000	31 Dec 2019 £'000
Loan fund capital	1,460			-	-	1,460
Baptist Strategy Building Scheme	58	15	(4)	-	(15)	54
Pension Reserve	(19,218)	1,355	(766)	-	523	(18,106)
Baptist House Reserve	3,248	-	(71)	-	(15)	3,162
Fixed Asset Reserve	4,570	-	(50)	-	(369)	4,151
Pastoral Fund	907	1,298	(96)	70	-	2,179
Strategic Projects Fund	65	-	(17)	-	187	235
Baptist Assembly	-	51	(51)	-	-	-
Total Charity	(8,910)	2,719	(1,055)	70	311	(6,865)
Adjust on consolidation						
- Loan Fund Capital	(1,460)	-	-	-	-	(1,460)
- Pastoral Fund	-	(550)	752	-	(202)	-
- Baptist House Reserve	(162)	(1,268)	-	(17)	1,268	(179)
Total Consolidated	(10,532)	901	(303)	53	1,377	(8,504)

	Fixed Assets £'000	Investments £'000	Current Assets £'000	Long-Term Liability £'000	Total £'000
(a) Loan fund capital	-	1,460	-	-	1,460
(b) Baptist Strategy Building Scheme	-	-	54	-	54
(c) Pension Reserve	-	-	1,894	(20,000)	(18,106)
(d) Baptist House Reserve	1,875	1,287	-	-	3,162
(e) Fixed Asset Reserve	4,151	-	-	-	4,151
(f) Pastoral Fund	-	1,149	1,030	-	2,179
(g) Strategic Projects Fund	-	-	235	-	235
Total Charity	6,026	3,896	3,213	(20,000)	(6,865)
Elimination / Adjust on consolidation					
Loan fund capital		(1,460)			(1,460)
Pension Reserve		-	(20,000)	20,000	-
Investment in BHL		(179)			(179)
Total Consolidated	6,026	2,257	(16,787)	-	(8,504)

- (a) The Loan Fund Capital is the investment in Baptist Union Corporation to provide capital to the Baptist Union Loan Fund. The loan fund primarily assists churches with finance for new buildings, for extensions and/or refurbishment of church premises, for the purchase of church manses and loans to enable churches to pay off their pension deficits – this is removed on consolidation.
- (b) The Baptist Strategy Building Scheme provided loans to finance to church building. The fund represents balances outstanding and is not open to new applications. Repayments are transferred to Unrestricted funds.
- (c) The Pension Reserve has been established by the Baptist Union of Great Britain to support the Baptist denomination in addressing the issues relating to the deficit in the Baptist Pension Scheme. Funds are intended to be used to (1) clear the debts to the scheme of closed churches where no other funds are available, in order to avoid the Pension Trustees having to pursue individual church trustees for repayment, and (2) provide funds to reduce the overall deficit in the Baptist Pension Scheme.
- (d) The Baptist House Reserve recognises the investment in Baptist House that is used for operational purposes to provide office accommodation for the Specialist Teams and is not readily a liquid asset.
- (e) The Fixed Asset Reserve holds fixed assets used to support the ongoing operations of BUGB. This reserve includes essential housing provided for Association and other Union staff as well as furniture, fittings, computers, software and other assets. This is not a readily liquid asset.
- (f) The Pastoral Fund exists for the relief of need, hardship or distress.
- (g) The Strategic Projects Fund was previously known as the Ministry Review Fund. The Trustees have renamed this fund and broadened its objectives to provide funding for projects deemed of strategic importance to The Union.

BAPTIST UNION OF GREAT BRITAIN

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2019

23. ANALYSIS OF NET ASSETS

Consolidated	Fixed Assets	Investments	Net Current Assets	Long Term Liability	Total
	£'000	£'000	£'000	£'000	£'000
Endowment Funds	-	1,104	5	-	1,109
Restricted Funds	36,300	32	(3,052)	-	33,280
Designated Funds	6,026	2,257	(16,787)	-	(8,504)
Unrestricted Funds	73	7,232	5,654	(334)	12,626
Total	42,399	10,625	(14,179)	(334)	38,511

Charity	Fixed Assets	Investments	Net Current Assets	Long Term Liability	Total
	£'000	£'000	£'000	£'000	£'000
Endowment Funds	-	1,104	5	-	1,109
Restricted Funds	-	-	197	-	197
Designated Funds	6,026	3,896	3,213	(20,000)	(6,865)
Unrestricted Funds	73	7,232	1,392	(334)	8,363
Total	6,099	12,232	4,807	(20,334)	2,804

24. GRANTS

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

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

	Regional Associations	Other Baptist Partners	Ecumenical Partners	Mission Forum	TOTAL
	£'000	£'000	£'000	£'000	£'000
Angus Library		10			10
Baptist World Alliance		10			10
Central Baptist Association	245				245
Churches Together in England			24		24
Churches Together in Britain & Ireland			10		10
East Midlands Baptist Association	232				232
Eastern Baptist Association	260				260
European Baptist Federation		60			60
Heart of England Baptist Association	270				270
London Baptist Association	422				422
Ministry Among the Deaf				20	20
Missional Awareness				18	18
North Western Baptist Association	245				245
Northern Baptist Association	157				157
Relmagine				15	15
Renew Wellbeing				20	20
South Eastern Baptist Association	242				242
South Wales Baptist Association	215				215
South West Baptist Association	180				180
Southern Counties Baptist Association	263				263
Spurgeon's College				40	40
St Hild College				10	10
West of England Baptist Association	206				206
Yorkshire Baptist Association	199				199
Total grants under £10k		13	15	5	33
Total Grants excluding Pastoral	3,137	93	48	128	3,406
Pastoral Grants					112
Total Grants					3,518

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2019

25. PENSIONS

The Union is an employer participating in the Baptist Pension Scheme (“the BPS”). The BPS is a separate legal entity 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%. Total contributions in respect of current period service were £109k in 2019 (2018: £101k) for the charity and £109k in 2019 for the consolidated accounts (2018: £101k)

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 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.

Prior to completion of its wind up in 2019, the Union was a participating employer in the Baptist Union Staff Pension Scheme. During 2018 a contract was signed with Aviva to take on the responsibility for paying the benefits due under the scheme. During 2019, Aviva issued individual policies to all scheme beneficiaries and commenced directly paying benefits. The wind up of the scheme was triggered on 31st August 2018 and completed on 18th September 2019. On 1st January 2019, the Union held a provision of £366k relating to the remaining costs of winding up the scheme. The actual costs incurred in 2019 were £357k and a gain of £9k was therefore recorded in 2019. The Union has no further liability in respect of the scheme.

The BPS, previously known as the Baptist Ministers’ Pension Fund, started in 1925, and was closed to future accrual of defined benefits on 31 December 2011. The scheme is not contracted out of the State Second Pension. The table below summarises the main results of the most recent actuarial valuation of 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
Date of valuation	31 December 2016
Date next valuation due	31 December 2019
Market value of scheme assets (A)	£219m
Technical provisions (B)	£312m
Deficit [(B) – (A)]	£93m
Funding level [(A) / (B)]	70%

As a result of the valuation of the BPS, it was agreed to continue the standard rate of deficiency contributions payable by churches and other employers involved in the DB Plan at a rate of 12% of Pensionable Income/ Minimum Pensionable Income. The contributions are based on each church’s or other employer’s position at March 2015. Some churches or other employers that were only involved in the DB Plan for a short period pay less than 12%. The Recovery Plan envisages deficiency contributions continuing until December 2028. In addition, BUGB made a additional contributions £33m on behalf of the Baptist denomination to reduce the deficit in the scheme of in December 2018, with a further payment of £0.5m due by 31 December 2023.

BAPTIST UNION OF GREAT BRITAIN

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2019

25. PENSIONS (continued)

The financial assumptions underlying the valuations were as follows:

Type of assumption	BPS % pa
RPI price inflation assumption	3.50
CPI price inflation assumption	2.75
Minimum Pensionable Income increases (BPS only)	3.50
Pensionable Salary increases (BUSPS only)	
Assumed investment returns	
- Pre-retirement	3.50
- Post retirement	2.25
- Additional returns assumed during recovery period	0.10
Deferred pension increases	
- Pre April 2009	3.50
- Post April 2009	2.50
Pension increases (BUSPS)	
- Pre April 2006	
- Post April 2006	
Pension increases (BUSPS)	
- Based on RPI with an annual floor of 0% and annual cap of 5%	3.30
- Based on RPI with an annual floor of 0% and annual cap of 2.5%	2.15
- Based on CPI with an annual floor of 0% and annual cap of 5%	2.70
- Based on CPI with an annual floor of 0% and annual cap of 2.5%	2.00

As there are a large number of contributing employers participating in the BPS the Union does not have sufficient information to identify its share of the underlying assets and liabilities of the scheme. Accordingly the scheme is accounted for as a defined contribution scheme. The movement in the balance sheet liability is set out in the following table:

	BPS (Charity & Consolidated)		BUSPS (Consolidated)		BUSPS (charity only)	
	2019 £'000s	2018 £'000s	2019 £'000s	2018 £'000s	2019 £'000s	2018 £'000s
Balance sheet liability at 1 st Jan	354	634	366	3,852	366	3,723
Deficiency contributions paid	(35)	(34)	(357)	(2,327)	(357)	(2,230)
Interest cost (recognised in Sofa)	11	15	0	87	0	87
Actuarial (gains)/losses	5	(261)	(9)	(1,247)	(9)	(1215)
Balance sheet liability at 31st Dec	335	354	0	366	0	366

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

	31 Dec 2019	31 Dec 2018	31 Dec 2017
Discount Rate	2.15%	3.04%	2.35%
Future increases to Minimum Pensionable Income	3.18%	3.29%	3.13%

26. RELATED PARTY TRANSACTIONS

No trustees received any retiring ministerial removal grant (2018: £900), but one trustee received a Study grant of £600 (2018: nil) and one trustee received a grant of £300 (2018: nil) as a pastoral grant. Both the applications had been treated in exactly the same way as all other grant applications of that specific type.





www.baptist.org.uk/annualreport

The Baptist Union of Great Britain
Registered charity number 1125912

Operating as a Charitable Incorporated Organisation from
1 January 2020, registered charity number 1181392.

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