



Annual Report
of the Baptist Union of Great Britain
2023

Welcome to the 2023 Annual Report of the Baptist Union of Great Britain

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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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.



THE DECLARATION OF PRINCIPLE

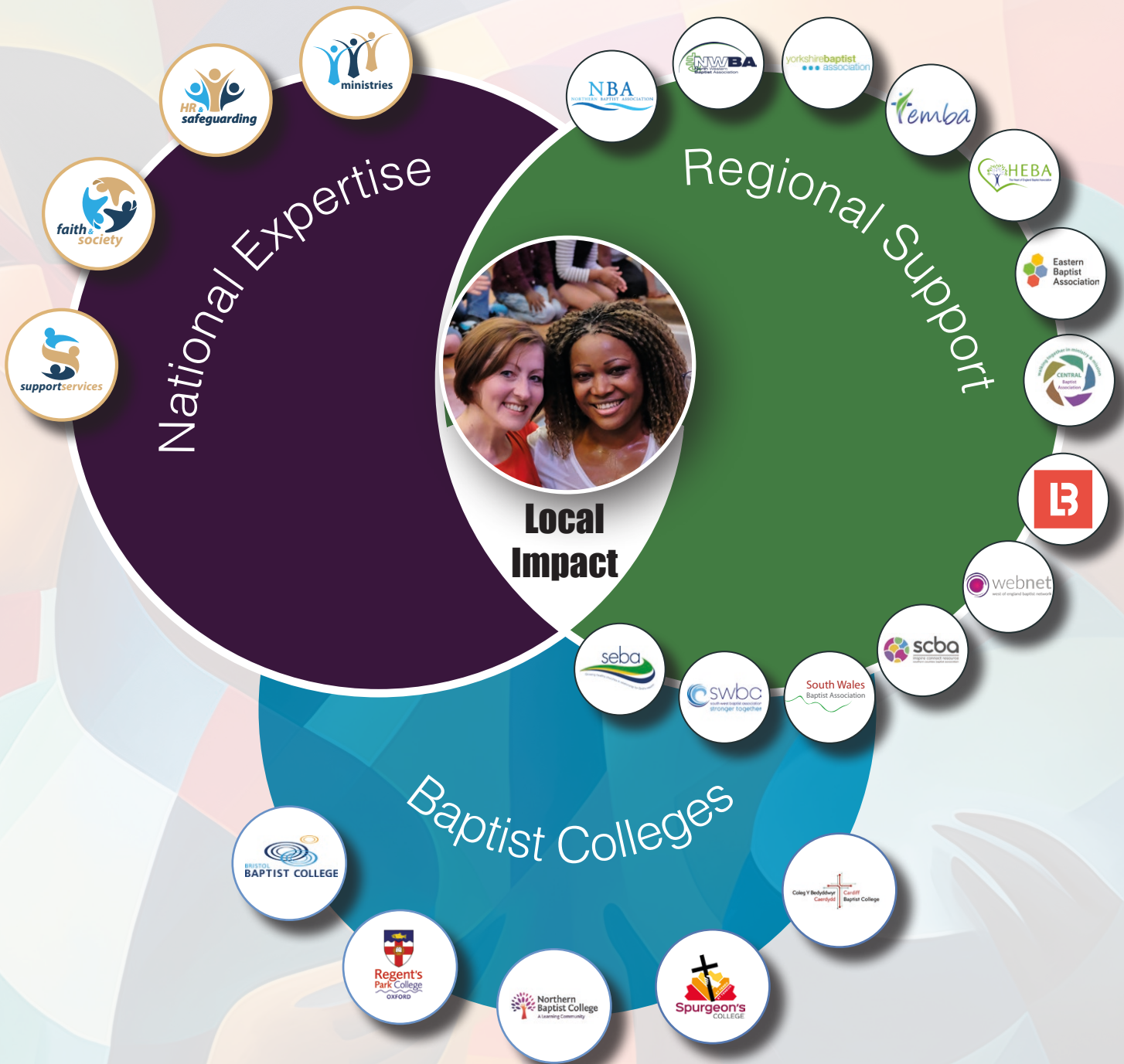
The basis of our Baptist Union is:

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.

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'.

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.

BAPTISTS TOGETHER



Local Baptist churches supported by regional associations, colleges, and specialist teams together in relationship for God's Mission

Our objectives

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

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

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

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

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, care of God's creation and peace in the world.

Throughout 2023 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 2023 and how they relate to the overall strategy of our Union.

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.

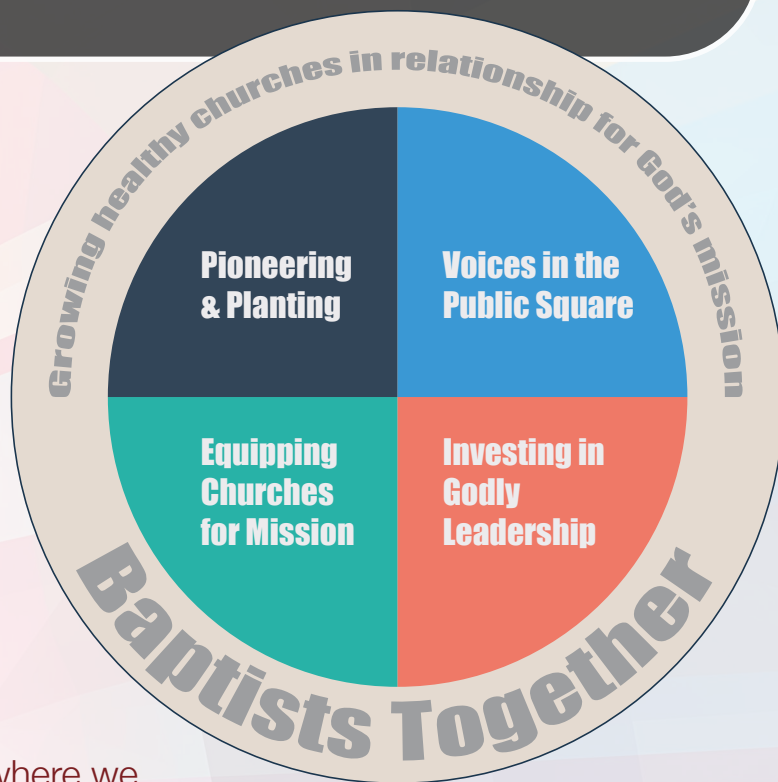
The 'Futures Review' undertaken in 2012 outlined the main strategic direction, objectives and values of the Union which continue to be implemented. The strategy of our Union arises from this and is encapsulated in the phrase 'Growing healthy churches in relationship for God's mission' To do this, we believe that we must intentionally develop a Union that encourages and builds upon our relationships together as more than 1,800 member churches, 13 member regional associations and six 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.

Our shared vision

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

We seek to deliver our vision through...



Baptists Together is committed to intentionally developing a culture where we...

Seek to be a movement of Spirit-led communities

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

Feel like one team

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

Embrace adventure

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

Inspire others

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

Share a hunger for God's coming Kingdom

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

To read the story behind our culture please go to www.baptist.org.uk/culturehistory

Review of the year 2023

A snapshot of our Union through 30 most clicked pieces in The Baptist Times through 2023. Use the QR code to read more about any story.

Baptist Union Council: March 2023. A report from the March Council

Mission is... The Baptist Assembly 2023. An introduction to the 2023 Assembly, held in Telford

The Church in England and Wales is changing shape - not declining. Is this narrative of decline actually true? Bible Society has found it isn't, for when we ask wider questions, we begin to see things rather differently, explains Mark Woods

Spurgeon's College welcomes Pastor Rick Warren as its first honorary Chancellor. Spurgeon's College has jointly announced with the Revd Dr Rick Warren his installation as its first honorary Chancellor



Scan me!



'Don't forget, there's still a simple, safe, sustainable way to be church in community'.

Renew Wellbeing is a Christian charity founded by Baptist pastor Ruth Rice which seeks to end isolation and help facilitate better mental health for all. It works in partnership with churches to offer quiet shared spaces where 'it's ok not to be ok.'

Baptist Union Presidency for Steve Finamore. Baptists have discerned that Steve Finamore will serve as our President in 2024-2025

Sharing Christ's Great Banquet - Tim Presswood inducted as President. New President Tim Presswood introduced his theme in the form of a powerful and challenging poem as he was inducted at the Baptist Assembly on Saturday (17 June)

Baptist Union Council: October 2023. A report from the October Council

Repair café opens in Baptist church. The Chiddingfold Repair Café has launched in Chiddingfold Baptist Church in south Surrey. Minister Joao Bolzan explains more

'Wonderfully, consistently, yet quietly encouraging and supporting'. Tributes have been paid to former Baptist Union treasurer David Nixon, who died in January

'So many young leaders... and their passion for Jesus was incredible'. Young Baptist leaders have been reflecting on the impact of participating in a global mission summit organised by the European Baptist Federation

#Digital Pentecost. A series of conversations about shaping an online Baptist missional community. By Simon Goddard and Nathan McGuire

'Unprecedented ecumenical exchange' as a Baptist and Anglican church in Bristol swap buildings. Horfield Baptist Church and B&A Church in Bristol have moved into each other's buildings after discerning they were more suited to their respective missions and ministries

We took our church through the 12 steps of recovery, and here's what happened... With several people joining Life Church in Cuffley from local recovery groups, pastor William Wade wondered if it might be helpful to go through the 12 steps of recovery programme as a discipleship series on Sunday mornings

Big church, little church. Watchet Baptist Church has been on a journey discovering new ways of being missional disciples of Jesus - and this has included an overhaul of Sundays. Minister Mike Sherburn is joined by several members in reflecting on what's happened so far

Discernment focus for Theology Live. Theology Live on 19 January will take the time to reflect on how we discern, so central to our being Baptist, and the theology that gives it meaning and weight, organisers say

Being a young Christian post-Christendom: not just a numbers game.

This article is the first in a series sharing perspectives from young Christians about being young Christians. The census results may have been a shock to many experienced Christians, but they were not a surprise to our young people, writes Amanda Higgin

Collaborative leadership for SCBA. The Southern Counties Baptist Association has called Clare Hooper and Hayley Young as its Regional Ministers Co Team Leaders

'This was a very different way of mission for us'. Mairi and Graham McBain are Community Pastors in Hartlepool and in July served as volunteers when the Tall Ships Race visited the town. They explain how this was part of their incarnational 'joining in' ministry there

'None of us left that journey unchanged and unchallenged'. What happened when a group of Baptist ministers walked the Abbot's Way through the Dartmoor National Park. By Michael Shaw

Turning the tables on restaurant ecclesiology. Baptist minister Chris Brockway wants to nurture covenantal commitment in the local church, after realising the church experience for both leaders and congregation can be a consumeristic one - akin to life in a metaphorical restaurant

Churches come together as chaplains at Lowestoft festival. Ten chaplains volunteered their time to host a space where people could encounter the presence of God at the First Light Festival

The place of Pastoral Supervision in ministerial development. Retired Baptist minister Paul Campion highlights the importance of Pastoral Supervision or similar support and accountability, in order to experience life in all its fulness and to keep alive the flame of a calling and gifting in ministry

'Hope out of devastation'. Baptist minister David Hazeldine has survived four strokes and 'locked-in' syndrome. Though retired from full-time ministry on ill-health grounds, he is developing an itinerant ministry in London and the south east, and his miraculous recovery story has just been published

'Christ is with us' - General Secretary's message. 'God is at work in wonderful ways in and through Baptists Together - let's not lose sight of that in the face of our challenges.' So said General Secretary Lynn Green as she shared reflections during the BUGB session on Saturday afternoon at the Baptist Assembly

'Incredibly challenging - but tangibly showing Christ's love'. Baptists at the heart of the Israel-Hamas war have been sharing their anguish and grief at the situation unfolding before them, and how they are helping support those affected

Starting the missional journey. How do we reach our communities for Jesus? William Wade has continued to reflect on this question since last year's Baptist Assembly. He offers this reflection and video

Three new regional ministers for London Baptists. London Baptists have announced the appointments of Lucy Wright, Claire Nicholls and Josh Kane to their regional ministry team

'Praying the Lord will use this musical to impact many people's lives for his Kingdom'. A new evangelistic musical written by a Baptist minister which tells the story behind the enduring hymn 'It is Well with My Soul' is set to premiere in June

'The new church and community centre is all about people and God's care for them'. After years of planning, praying, and perseverance, ground was broken on Evesham Baptist Church's new site in late November



Disciple-makers and Kingdom Seekers

We are a movement of Disciple-makers and Kingdom Seekers who want to make Jesus known right across our nations in these days. In this Annual Report you can discover more about some of the fantastic ways that our churches, associations, colleges and specialist teams are playing their part in sharing the good news of Jesus. Here I would like to highlight some significant things that have encouraged me during 2023.

As I travel round meeting churches and ministers across Baptists Together, I am hearing consistently that new people are coming to our churches and that people are finding faith and being baptised – praise the Lord! And what is even more encouraging is the stories I hear of young people turning up at church because they want to find out more about God. This reflects the fantastic, loving, vibrant and varied church communities that belong to our movement and all the faithful and creative ways that you are being a blessing in the places where God has put you.

My heart has always been to see Baptists Together working even more collaboratively and strategically in mission and evangelism so that we can fan into flame the full potential of our movement. So, I have been excited to see through 2023 how many months of prayer, planning and action that began in our Mission Forum have resulted in the Everyone Everywhere initiative that will be launched at Baptist Assembly in 2024. Everyone Everywhere is a grassroots desire to serve our Baptist family to catalyse and create collaboration for two things. Firstly, for ordinary Christians in ordinary ways being able to speak about Jesus. Secondly, for ordinary churches in ordinary places being able to start new Christian communities where they are needed and in the way they are needed. We are all aware that the vast majority of those in our communities are not yet followers of Jesus – as Scripture says, ‘The fields are white for harvest...’ If we want to really make a difference, I believe that we need to lean into the beauty and strength of being a grassroots movement, whilst also being radically inter-dependent and collaborative. If we truly care about sharing the Gospel above all else, then this will be reflected in the sharing and focussing of our resources towards that goal.

Another thing I am seeing is the Lord stirring up a calling in people towards chaplaincy. There is a desire to minister beyond the walls of our churches and to connect with people in the midst of their everyday life and work. Creating opportunities to see Jesus’ presence and point people to him through Spirit-led encounters. And this is not just those called to full-time chaplaincy in healthcare, prisons, military and the workplace. There are also many volunteer chaplains across our movement too, in schools, offices, public services and community projects. What strikes me here is that the Lord is raising up a new cohort of missional leaders who are looking for roles where they can be released and blessed into their calling. Whilst I pray that many more will pursue a vocation in chaplaincy, I am also praying that others will find their role in churches that share their heart from mission.

Finally, we spent a significant amount of time in 2023 engaged in a consultation process to enable us to reflect and listen to the Lord and each other about our Ministerial Recognition Rules and Marriage. Corporate discernment is a key part of our Baptist identity, and this was demonstrated extremely clearly in the participation rates we achieved. From churches we achieved a 52% response rate and from active accredited Ministers a superb 93% response. Council was extremely grateful for the contributions from churches and ministers and these served an important role in Council’s subsequent discernment.

Lynn Green, General Secretary Baptists Together



‘We are a movement of Disciple-makers and Kingdom Seekers who want to make Jesus known right across our nations in these days.’

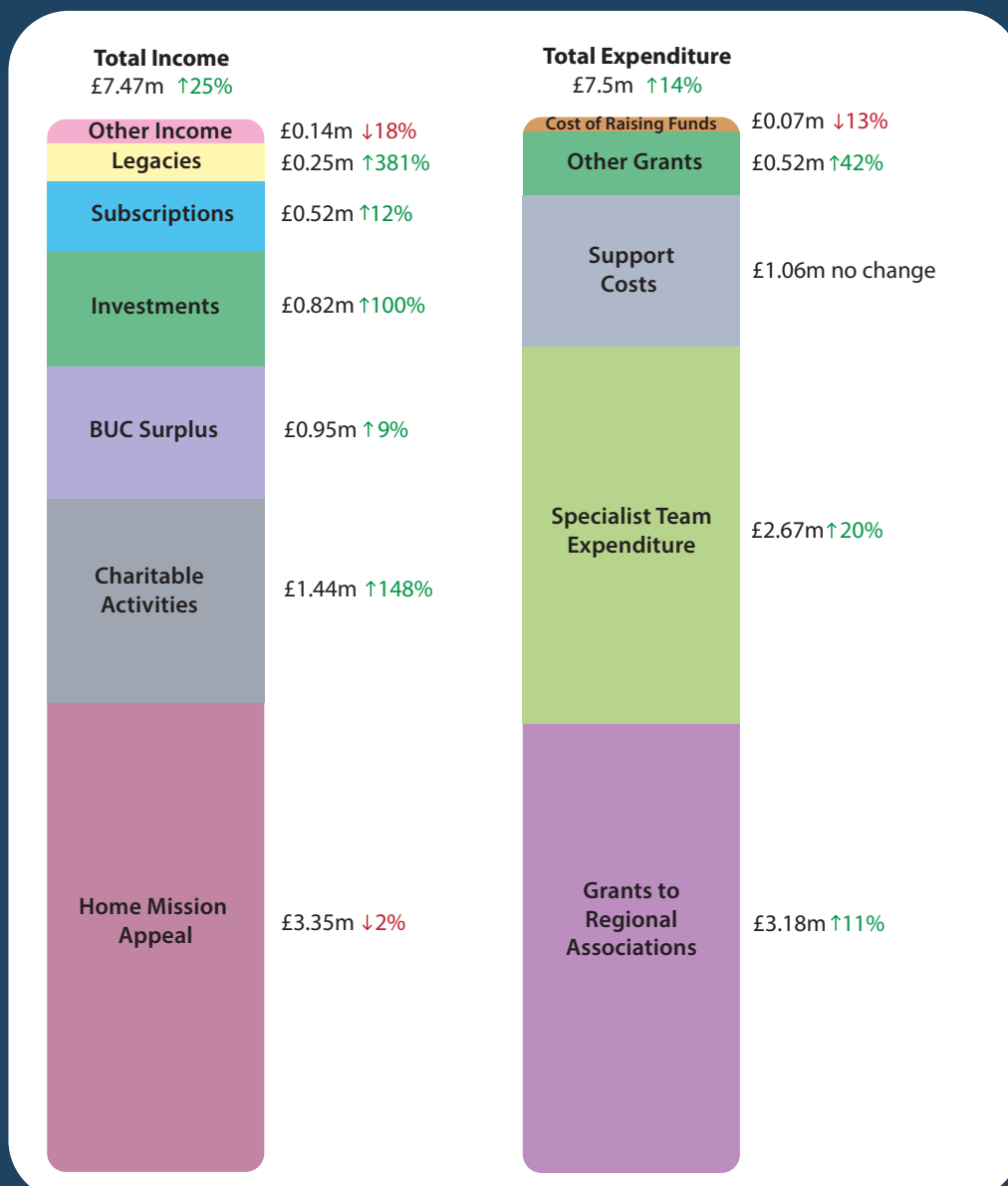


Fundraising and Home Mission

The Union raises the majority of its income from its member churches on a voluntary basis. The Union (BUGB) requests that every member church give at least 5% of its General Fund Income to the Home Mission Appeal, but it is down to each church to agree their level of giving to the work of the Union. In 2023, in liaison with the regional associations, the Union Trustees set an overall appeal target of £3.443m (2022: £3.640m), whilst the actual amount received was £3.355m (2022: £3.419m) which was 97.44% of target. These figures are included within voluntary income in the accounts. The trustees continue to explore various options to increase Home Mission income in the coming years through the ongoing Financial Model Review.

BUGB also requests member churches to pay a subscription to support its work. For 2023 the subscription was set at £5.40 per church member (with a discount to £5.15 for Direct Debit payment), compared to £4.90 in 2022, an increase of 10.2%. The total subscription income received during the year amounted to £0.523m, up from £0.464m in 2022. Legacy income into the Home Mission Fund remained low in 2023, with £0.25m received, up from £0.052m in 2022, but significantly below the £1.149m in 2021. As a large proportion of this income stream typically comes from a small number of sizeable legacies, this can be a naturally erratic income stream. The Trustees will continue to monitor income from this area closely.

The table below illustrates income and expenditure. It should be noted that £0.55m of the BUC Surplus goes towards paying the interest on the Family Solution Loan relating to the Pension Scheme.



Designated and Restricted Reserves

The Designated Pension Reserve is a fund held by the Union to support the Baptist family in dealing with the deficit in the Baptist Pension Scheme. The Pension Reserve received total income of £1.79m (2022: £0.83m) comprising: £1.24m (2022: £0.28m) of proceeds from closures of churches where the Union is the beneficiary of the Ultimate Trust, and £0.55m (2022: £0.55m) from Baptist Union Corporation to support the interest costs on the loan from RBMHO. Expenses totalled £1.54m (2022: £1.09m) including £0.4m (2022: £0.1m) in interest on the loan from RBMHO, £0.4m (2022: £0.06m) on supporting churches with pension deficits and £0.09m (2022: £0.05m) on legal fees and expenses relating to pensions.

The pension reserve had a deficit balance of £16.33m (2022 £16.59m), comprising the £20m liability to RBMHO and £3.67m in cash. Of the cash balance, £3.60m was set aside in an escrow account to support the Baptist Pension Scheme. £3.00m is short term to assist the Defined Benefit Scheme as it moves to buy-out and wind up. £0.60m relates to the Defined Contribution Scheme in meeting the financial sustainability requirements of its Master Trust authorisation. Both amounts therefore are not available for general use. 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 Fund.

The Baptist Strategy Building Scheme is a closed scheme which made interest free loans for building works to churches which would typically not qualify for other loans. 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 due more than five years into the future. Repayments of £88k (2022: £70k) 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 £4.7k and a balance of £30k (2022: £35k). There were 21 loans (2022: 23) outstanding at year end with a gross value of £0.87m (2022: £0.95m).

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 (2022: £0.07m) of depreciation was recorded against the fund, leaving a balance of £2.88m (2022: 2.91m).

Fixed Asset Reserve holds the Union's other property assets. This fund recorded £0.1m (2022: £0.09m) of depreciation against the properties, leaving a final balance of £1.99m (2022: £2.25m) after purchases and sales during the year.

Pastoral Funds: The Pastoral Fund and Retired Ministers' Benevolent Fund continued to make grants for pastoral support of members of the Baptist family totalling £0.12m (2022: £0.11m). The Pastoral Fund received investment income of £0.07m (2022: £0.08m) and had a year-end balance of £2.06m (2022: £2.03m).

Strategic Projects Fund: The Fund supports key strategic projects initiated by the Union. This year, £0.03m (2022: £0.03m) was spent investigating options around a future financial model of Baptists Together, leaving a zero balance at the end of 2023 (2022: £0.01m).

Baptist Assembly: The Baptist Assembly is an annual event which reviews the life of the Union over the last 12 months and receives updates on ongoing projects and areas of work. In 2023 the event had costs of £0.082m, offset by income of £0.064m from donations, including £0.01m contributed by BMS.

Subsidiary and Related Entities

The associated entities of the Union operate according to their own Governing Documents and, where required, report to the Union's 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 Trustees of the Baptist Union of Great Britain. The organisation's activities include holding as Custodian Trustee of 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 2023 of £0.949m (2022: surplus £0.866m) prior to gifts to the Union of £0.049m (2022: £0.866m). The reserves at year end were £4.39m (2022: £4.39m).

2 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. RBMHO is accounted for as a Restricted Fund within the Union's Consolidated Financial Statements. During 2023, including net gain on investments, RBMHO made a surplus of £1.6m (2022: £1.7m) and had total reserves at the year-end of £40.5m (2022: £38.88m).

3 The Retired Baptist Ministers' Housing Society (RBMHS): The Society is a charitable Community Benefit Society registered with the Financial Conduct Authority under number 21462R. The Trustees of Retired Baptist Ministers' Housing Organisation (RBMHO) are the members of the Society. The society is now dormant, having transferred its assets, liabilities and operations to RBMHO on 31 December 2018, which continues its work.

4 Baptist House Limited (BHL): The BUC 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 Union may appoint up to three of the six Directors of the company. BHL recorded a surplus of £0.004m (2022: loss of £0.053m) and total reserves at the end of the period were £0.25m (2022: £0.25m). The Union's half share of the results for the year to 31 October 2023 are included in the consolidated financial statements.

5 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.



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 including healthy food, education, employment, human rights including addressing modern day slavery, good corporate social responsibility, good governance, financial transparency, anticorruption 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 and the extraction of coal and tar sands and any other fossil fuel extraction. 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. This policy was revised by Baptist Union Council in 2021.

Within the investment strategy, Cazenove Plc have been appointed as investment managers with discretion over investments. Details of the investments are set out in note 13 to the financial statements.

Our investments are managed in two portfolios, a general portfolio and an endowment portfolio. Since the fourth quarter of 2020, both portfolios have targeted performance on a total return basis of CPI+4% per annum net of fees over the long-term. The Finance and Audit Committee has put in place composite benchmarks for Schrodgers as follows:

	General Portfolio	Endowment Portfolio
MSCI AC World GBP	65%	65%
FTSE All Share TR	5%	5%
IBOXX UK Non-Gilt TR	5%	5%
IPD Property (UK) Index	10%	10%
UK CPI + 3%	15%	15%

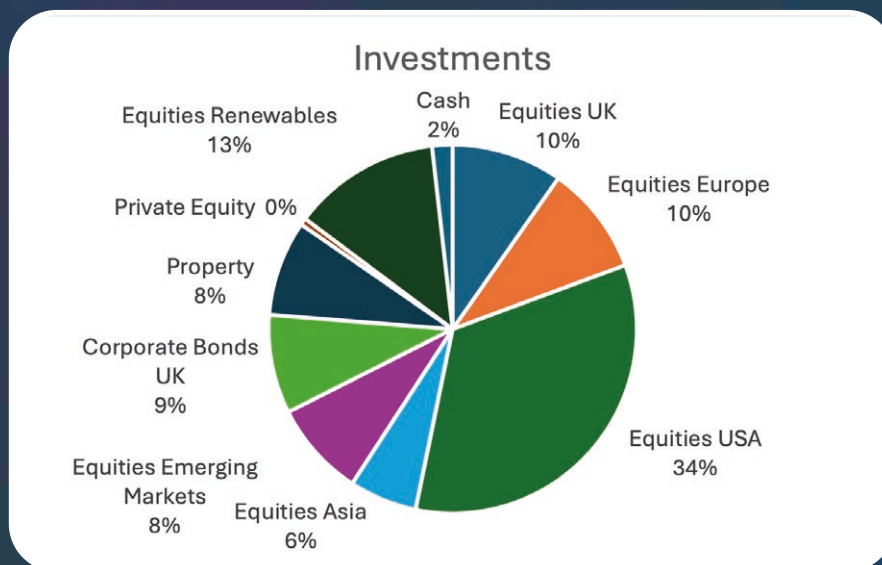
A summary of investment performance in the 12 months to 31 December 2023 is presented in the following table:

	2023 Performance	Composite Benchmark	Performance vs Benchmark	Long-term target (CPI+4%)	Performance vs long-term target
General Portfolio	8.8%	11.6%	-2.8%	8.2%	+0.6%
Endowment Portfolio	9.9%	11.6%	-1.7%	8.2%	+1.7%
Combined	8.8%	11.6%	-2.8%	8.2%	+0.6%

During 2023 both portfolios generated positive returns over the quarter. However, over the longer-term, both are lagging their benchmarks, principally due to the inflation element of the composite benchmark. Both funds are outperforming the peer group, ARC Steady Growth PCI, over all periods.

The Trustees continue to monitor performance on a quarterly basis. The usual annual meeting with our investment managers did not take place in 2023. This is being remedied, with the relevant meeting for 2024 taking place on 23 April 2024.

Across 2024 and 2025, the Trustees intend to conduct a full review of the management of investments and the investment strategies. Actual consolidated Asset Allocation as at 31 December 2023 is shown below.



Approach to fundraising

The Baptist Union of Great Britain funds most 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 leaders 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 2023. Complaints are monitored and reviewed for any concerns in relation to fundraising practices, which would then be reported to the Trustee board.

Baptist Pension Scheme (BPS)

The Defined Benefit (DB) section of the Baptist Pension Scheme (BPS) provides benefits for service up to 2011. At the end of June 2022, the scheme signed an agreement with the insurance company Just Group ('Just') to secure the pension benefits of members of the DB section. This agreement is referred to as a 'Buy-in policy'. The combined agreements mean that Just are now providing financial backing for all DB pensions provided through the Scheme's DB Plan.

As planned, the DB section moved to buy-out on 31 March 2024 which will, in due course, result in the beneficiaries receiving the benefits they are entitled to directly from Just. A Member Consultation regarding associated changes took place between November 2023 and January 2024. The vast majority of affected members raised no concerns about the proposals, and no serious opposition to the proposals was received, meaning the proposed changes outlined below will be made to the initial proposal:

- The supplementary lump sums will increase before retirement in line with RPI inflation capped at 5% pa cumulatively. There will be no lower 2.5% pa cumulative cap applied for post 2009 benefits.
- Incapacity benefits will be updated as proposed, with communications and education work on this developed and provided to employers.

Since 2012 the BPS has provided a Defined Contribution (DC) section for ministers and other staff of churches and other Baptist employers. This allows employers to offer a high-quality pension scheme tailored to Baptist needs. This section holds over £60m of assets on behalf of more than 2,100 members. After a review of this section in 2023, the current plan is to continue to manage the DC scheme in the way it is currently administered for the next three years. This can be reviewed at any time, if a review is deemed necessary.

Report of the Finance and Audit Committee

The Finance and Audit Committee continues to oversee the finances of the Union. The key elements of work of the Committee in 2023 were:

- Monitoring the finances of the Union, its subsidiaries and Baptists Together as a whole, including the income and expenditure, management of capital and liquidity and the management of assets.
- Setting the interest rate policy on behalf of the Baptist Union Corporation.
- Monitoring the performance of the Union's investment portfolio including overseeing the implementation of the Union's updated ethical investment policy and reviewing the benchmarks used for monitoring performance of the investment managers.
- Monitoring the position of the Baptist Pension Scheme and the potential strategies for managing the remaining liability in the Defined Benefit scheme.
- Reviewing the Risk Register, insurance cover and financial controls.
- Overseeing the year-end process for production of the annual report and accounts for BUGB and subsidiary entities, including reviewing the report of the auditors, Moore Kingston Smith, on the 2022 accounts and planning for the 2023 audit.
- Continuing to contribute to the Financial Model Review of Baptists Together.

Key focus areas in 2024 will be the further stages of the Financial Model Review, monitoring the ongoing process for a buyout of the Baptist Pension Scheme and reviewing the investment portfolio and related strategy.

Policy on Reserves

During the year, the Trustees reviewed the reserves policy of the Union. The policy was put in place to ensure that the Union had sufficient free and available funds to cope with unplanned expenditure or an unforeseen drop in income.

BUGB – Funds of Parent Charity	£
Endowment Funds	1,190,645
Restricted Funds	8,757
Designated	(6,705,818)
Unrestricted	10,170,982
Total Charity Funds	4,664,566

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 £3.6m - £7.3m. The unrestricted free reserves, excluding Designated Income Funds, capital assets and escrow accounts, totalled £4.6m at the year end. The Trustees view this as appropriate.

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.

Cognisant of the Charities SORP, BUGB holds several unrestricted (including Designated) income funds which can be spent at the discretion of the Trustees in furtherance of the charity's objects.

Structure, Governance and Management

The Baptist Union of Great Britain (the Union) is a Charitable Incorporated Organisation (CIO), 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 full constitution of the Union can be found at www.baptist.org.uk/constitution.

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 2023 Assembly was held at the Telford International Centre between 16 and 18 June, during which Tim Presswood was inducted as President.





Baptist Union Council

The Baptist Union Council usually 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 Core Leadership Team
- 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
- Free Churches Group
- Churches Together in England
- Churches Together in Britain and Ireland
- The Conference of European Churches
- World Council of Churches
- Joint Public Issues Team (JPIT)
- The United Board which commends ministers to armed forces chaplaincy
- Church Investors Group
- Christian Aid
- Churches Legislation Advisory Service

Safeguarding Committee 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 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 11 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.

Following a governance review in 2017 the Trustees agreed to adopt the Charity Governance Code in full and produced a Trustee Board Governance Handbook incorporating this. During 2021 the Governance Handbook was updated to reflect the revised Charity Governance Code published in 2020. The Governance Handbook can be found at www.baptist.org.uk/governancehandbook

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.



Core Leadership Team (CLT) is a gathering of national and regional leaders who aim to discern what God is saying to us, build relationships and encourage the flourishing of our Movement.

Recruitment of Trustees

The General Secretary is appointed by the Assembly. All other Trustees are elected by the Council from a list of suitable nominations provided by the Key Roles Nomination Team. Moderator of Trustees (chair) and the Honorary Treasurer are affirmed annually by the Assembly. Applications for Trustee roles 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. The Key Roles Nomination Committee endeavours to ensure that the Trustee Board reflects the full range of diversity of Baptists Together.

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. Our Governance Handbook is provided to all new 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.

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

(i) Sexuality and diversity issues. There are strongly held and often divergent views across Baptists Together. In 2023 this focussed on the Ministerial Recognition Rules in relation to the definition of marriage. Council responded to a request to remove the explicit mention of marriage being between a man and a woman in the Ministerial Recognition Rules by instigating a consultation process with members of the Union, plus all Ministers. This took place during 2023 and came to Council for a decision in March 2024. Although a decision has now been made, a degree of risk and uncertainty emanating from these issues remains.

(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 encounter our churches and other bodies. A model safeguarding policy and procedures for churches are available, with advice and support from regional and national safeguarding leads. Face to face safeguarding training is now running in all associations at Levels 1, 2 and 3. A three-year safeguarding plan is in place and reviewed annually by Trustees.

(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 effective partnership working and vision casting. This includes pioneering mission, discipleship, younger leaders and embracing adventure through our values, communications, strategic working, and investment of resources.

(iv) Ineffective operation of collaborative leadership and working across Baptists Together, including lack of a common vision. We continue to work together to make our vision, values, key areas of work and current priority areas more deeply embedded among us. This remains an area of ongoing work which is being led by the Core Leadership Team. The issues identified in (i) have deepened the need for continued focus and ongoing efforts in this area.

(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 Ministries Team. Following the pandemic and subsequent cost of living crisis there has been a decrease in the number of churches which can afford either full time or part time ministry. The Ministries Team Co-Leaders are shaping a variety of ways to promote and encourage ministerial formation, following a discussion at Core Leadership Team in January 2023. The appointment of a Younger Leaders' Development Coordinator in March 2022 has increased our connection with interns and young leaders and provides an opportunity to encourage younger adults to consider accredited ministry.

(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 in October 2021 Baptist Union Council approved a set of new measures to provide financial support to ministers in training. The pilot scheme, launched in 2022, to offer loans at a favourable rate for college fees, has now been extended so that anyone training for Baptist ministry may apply.

(vii) One or more regional associations 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. During 2021 we initiated a review of the financial model of Baptists Together. The first phase report went to Baptist Union Council in March 2022. A subsequent report went to Council in March 2023. It is anticipated that this process will conclude in June 2024.

(viii) Inability to recruit sufficient suitably skilled Trustees. Overseeing the operation of a complex charity like the Union requires Trustees with considerable skills and expertise. Without suitable Trustees in place there is a significant risk of a failure of governance. The Key Roles Nomination Team continues its work to identify suitable candidates, including by public advertising and we are considering how to make the roles attractive to suitable candidates.

(ix) Inability to obtain adequate insurance for our activities at a viable price. In recent years we have experienced increasing challenges in obtaining professional indemnity insurance with premiums increasing substantially. We continue to work with our brokers to obtain cost-effective insurance and have amended our renewal dates to a time of year when we believe the insurance industry will have more capacity.

(x) Unanticipated significant increase in expenditure. Events related to (i), and past performance against budget have shown us that this remains a key risk and uncertainty at this time. The most likely sources of such unplanned costs are external legal services and unanticipated IT costs.



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 £3.07m in 2023. These grants are given on a formula agreed by the Union's Trustees 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 £0.131m is delegated to the Baptists Together Mission Forum under the supervision of the Union's Trustees.

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. For 2023, £0.130m (2022: £0.127m) was paid as a student bursary including a book grant of £120 for all ministers in training. 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.

Heritage England Grants

Under the partnership scheme with Historic England where we received £37k in grant income (2022: £47k), grants were paid to 15 churches to assist them in their listed buildings obligations.

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, colleges 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 24 Baptist churches or organisations, 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 2010 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.

The names of the churches and other charities for whom the Company acts as a Custodian Trustee are available at: www.baptist.org.uk/custodianlist2023. 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	12
Income Units	585	10
National Savings Income Bonds	18	2
UK Equities	2,457	2
Total	3,084	24*

**Two organisations have Assets of two different types, hence the total being 24, not 26.*



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 £289,941 (2022: £303,597). Please note that the figure entered last year was erroneous.

Who We Are

The Baptist Union of Great Britain, a Charitable Incorporated Organisation with registered charity number 1181392
Registered and Principal Office: Baptist House, 129 Broadway, Didcot, Oxfordshire OX11 8RT.

TRUSTEES

Mr Mohan Pandian (Treasurer) (from 1 September 2023)
Mr John Levick (Treasurer) (to 31 August 2023)
The Revd Lynn Green (General Secretary)
The Revd Andrew Cowley
The Revd Jeniya Gwendu
The Revd Phil Jump
Mr Peter King
Mrs Suzie Leveson
The Revd Philip Lutterodt
The Revd Prof Philip McCormack
Mr Mark Spriggs
The Revd Shayla Waugh

SENIOR STAFF

The Revd Lynn Green (General Secretary)
The Revd Tim Fergusson (Interim Team Leader from 1 November 2022 to 15 January 2023, Co-Team Leader, Ministries, from 16 January 2023)
The Revd Lee Johnson (Co-Team Leader, Ministries, from 16 January 2023)
The Revd Diane Watts (Team Leader, Faith and Society)
Mrs Rachel Stone (Team Leader, HR and Safeguarding)
Mr Christopher Jones (Team Leader, Support Services from 30 August 2023)
Mr Richard Wilson (Team Leader, Support Services to 3 February 2023)

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, 9 Appold Street, London EC2A 2AP

SOLICITORS

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

SURVEYORS

Savills Plc 33 Margaret Street, London, W1G 0JD

INVESTMENT MANAGERS

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

CORE LEADERSHIP TEAM

The Revd Seidel Abel Boanerges
The Revd Adrian Argile
The Revd Phil Barnard
The Revd Ken Benjamin (to 21 June 2023)
Ms Amie Buhari (to 22 September 2023)
The Revd Dr Anthony Clarke
The Revd Mark Clay
The Revd Andrew Cowley
The Revd Sandra Crawford
The Revd Linda Donaldson (from 1 September 2023)
The Revd Graham Ensor
The Revd Mark Fairweather-Tall
The Revd Tim Fergusson
The Revd Andrew Ginn
The Revd Lynn Green
The Revd Jane Henderson (from 1 January 2023)
The Revd Clare Hooper
The Revd Joth Hunt
The Revd Dr Rosa Hunt
The Revd Lee Johnson (from 16 January 2023)
Mr Christopher Jones (from 30 August 2023)
The Revd Dr Ed Kaneen
The Revd Lisa Kerry
Mr John Levick (to 31 August 2023)
The Revd Nigel Manges
The Revd Glen Marshall
The Revd David Mayne (from 1 November 2023)
The Revd Dr Philip McCormack
Mrs Judith Miller (to 17 November 2023)
The Revd Peter Morden (from 1 July 2023)
The Revd Colin Norris (to 23 January 2023)
The Revd Yinka Oyekan (to 8 June 2023)
Mr Mohan Pandian (from 1 September 2023)
The Revd Beth Powney (to 20 April 2023)
The Revd Johnny Pozzo (from 1 July 2023)
The Revd Tim Presswood (from 17 June 2023)
The Revd Gale Richards (to 8 June 2023)
The Revd Dr Clara Rushbrook
The Revd Carl Smethurst
Mrs Rachel Stone
The Revd Diane Watts
Mr Richard Wilson (to 3 February 2023)
The Revd Gary Woodall
The Revd Hayley Young

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:

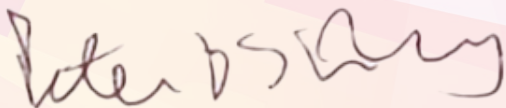
- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP 2019 (FRS 102)
- Make judgements and estimates that are reasonable and prudent
- State whether applicable accounting standards have been followed, subject to any material 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



Peter King
Acting 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 ('the charity') and its subsidiaries ('the group') for the year ended 31 December 2023 which comprise the Consolidated and Charity Statements of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, including 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's and charity's affairs as at 31 December 2023, and of the group's 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

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 contained within the annual report. 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.

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 course of 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 themselves. 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 charity has not kept adequate accounting records; or
- the 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 25, 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 group's and 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit we remain solely responsible for audit report.

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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charity.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charity and considered that the most significant are the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council
- We obtained an understanding of how the charity complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

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.

Date: 5 July 2024

Moore Kingston Smith LLP

Moore Kingston Smith LLP
Statutory auditor

9 Appold Street
London
EC2A 2AP

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

**STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED 31 DECEMBER 2023**

		Unrestricted	Designated	Restricted	Endowment	Total	Total
	Notes	Funds	Funds	Funds	Funds	2023	2022
		£'000	£'000	£'000	£'000	£'000	£'000
Income							
Donations and legacies	2	4,531	550	-	-	5,081	4,805
Charitable Activities	3	161	1,241	37	-	1,439	575
Investment income	4	697	79	-	40	816	407
Other income	5	75	64	-	-	139	169
Total Income		5,464	1,934	37	40	7,475	5,956
Expenditure							
Raising funds	6	56	10	-	8	74	76
Charitable activities	7	5,467	1,845	111	-	7,423	6,532
Total Expenditure	8	5,523	1,855	111	8	7,497	6,608
Net income before gain/ (loss) on investments, Fixed Asset Sales and Revaluations							
		(59)	79	(74)	32	(22)	(652)
Net (loss)/gain on investments		664	69	-	80	813	(771)
Net gain on sale of fixed assets		295	-	-	-	295	-
Net income before transfers		900	148	(74)	112	1,086	(1,423)
Transfers between funds	20, 21, 22	234	(202)	-	(32)	-	-
Net income before other recognised gains		1,134	(54)	(74)	80	1,086	(1,423)
Actuarial gain on defined benefit pension schemes	18	4,893	-	-	-	4,893	(4,740)
Net movement in funds		6,027	(54)	(74)	80	5,979	(6,163)
RECONCILIATION OF FUNDS							
Total funds brought forward		4,144	(6,652)	83	1,111	(1,314)	4,849
Total funds Carried forward		10,171	(6,706)	9	1,191	4,665	(1,314)

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 34 to 57 form an integral part of these financial statements.


BALANCE SHEET
AT YEAR ENDED 31 DECEMBER 2023

	Notes	2023 £'000	2022 – as restated £'000
Fixed assets			
Tangible assets	12	3,439	3,725
Intangible Assets	12	151	186
		3,590	3,911
Investments	13	16,556	15,707
		20,146	19,618
Current assets			
Debtors	14	1,508	1,545
Short-term Investments	15	10,058	2,000
Cash	15	1,816	5,664
		13,382	9,209
Current liabilities			
Creditors:			
Amounts falling due within one year	16	(8,863)	(5,248)
		(8,863)	(5,248)
Net current assets		4,519	3,961
Total assets less current liabilities		24,665	23,579
Long-Term liabilities			
Loan	17	(20,000)	(20,000)
Provision for liabilities			
Defined Benefit pension scheme liability	18, 25	-	(4,893)
Net assets		4,665	(1,314)
THE FUNDS OF THE CHARITY			
Endowment funds	20	1,191	1,111
Restricted income funds	21	9	83
Designated funds	22	(6,706)	(6,651)
Unrestricted income funds		10,171	4,143
Total charity funds		4,665	(1,314)

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



Peter King – Acting Moderator



Mohan Pandian – Honorary Treasurer

Date: 3 July 2024

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 DECEMBER 2023

	Notes	Unrestricted Funds £'000	Designated Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2023 £'000	Total 2022 £'000
Income							
Donations and legacies	2	4,132	-	204	-	4,336	4,368
Charitable Activities	3	2,943	1,458	715	-	5,116	3,536
Investment income	4	1,958	79	600	40	2,677	728
Other income	5	75	64	-	-	139	168
Total Income		9,108	1,601	1,519	40	12,268	8,800
Less share of gross income resources from Joint Venture		-	(217)	-	-	(217)	(366)
Total Net Income before Joint Arrangement share		9,108	1,384	1,519	40	12,051	8,434
Expenditure							
Raising funds	6	56	10	-	8	74	78
Charitable activities	7	8,499	951	2,739	-	12,189	8,559
Total Expenditure	8	8,555	961	2,739	8	12,263	8,637
Net income before gain/ (loss) on investments, Fixed Asset Sales and Revaluations							
		553	423	(1,220)	32	(212)	(203)
Net interest in the results of the year for the joint venture		-	2	-	-	2	(27)
Net gain/(loss) on investments	13	664	68	1	80	813	(774)
Net gain on sale of fixed assets		295	-	1,846	-	2,141	1,250
Net income before transfers		1,512	493	627	112	2,744	246
Transfers between funds	20, 21, 22	(379)	(545)	956	(32)	-	-
Net income before other recognised gains		1,133	(52)	1,583	80	2,744	246
Actuarial gain on defined benefit pension schemes	18	4,893	-	-	-	4,893	(4,739)
Net movement in funds		6,026	(52)	1,583	80	7,637	(4,493)
RECONCILIATION OF FUNDS							
Total funds brought forward		7,531	(8,287)	38,881	1,111	39,236	43,729
Total funds Carried forward		13,557	(8,339)	40,464	1,191	46,873	39,236

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 34 to 57 form an integral part of these financial statements.


**CONSOLIDATED BALANCE SHEET
AT YEAR ENDED 31 DECEMBER 2023**

	Notes	2023	2023	2022	2022
		£'000	£'000	-as restated £'000	£'000
Fixed assets					
Tangible assets	12	44,320		42,994	
Intangible Assets	12	151		186	
		44,471		43,180	
Investments	13	13,952		13,101	
			58,423		56,281
Current assets					
Debtors	14	16,841		18,780	
Short-term Investment	15	37,009		21,658	
Cash	15	13,814		15,444	
		67,664		55,882	
Current liabilities					
Creditors:					
Amounts falling due within one year	16	(79,214)		(68,034)	
Net current liabilities			(11,550)		(12,152)
Total assets less current liabilities			46,873		44,129
Long-Term liabilities					
Loan	17		-		-
Provision for liabilities					
Defined Benefit pension scheme liability	18, 25		-		(4,893)
Net Assets			46,873		39,236
CONSOLIDATED FUNDS					
Endowment funds	20		1,191		1,111
Restricted income funds	21		40,464		38,881
Designated funds	22		(8,340)		(8,287)
Unrestricted income funds			13,558		7,531
Total consolidated funds			46,873		39,236

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



Peter King – Acting Moderator



Mohan Pandian – Honorary Treasurer

Date: 3 July 2024

The notes on pages 34 to 57 form an integral part of these financial statements.

BAPTIST UNION OF GREAT BRITAIN

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Notes	2023 £'000	2022 -as restated £'000
Net income for the reporting year		2,744	246
Adjustments for:			
Net (loss)/gain on investments	13	(916)	672
Net interest in result of Baptist House Limited		(2)	27
Net income after gains on investment		1,826	945
Adjustments for:			
Depreciation	10, 12	208	168
Dividends and interest from investments		(2,677)	(728)
Net gain on sale of fixed assets		(2,141)	(1,248)
(Increase)/Decrease in debtors		1,939	697
Increase/(Decrease) in creditors and provisions		11,179	8,766
Movement in defined benefit liability		-	(22)
Net cash provided by operating activities		10,336	8,577
Cash flows from investing activities			
Amounts invested in short-term deposits		(23,029)	(15,955)
Amounts withdrawn from short-term deposits		7,679	6,662
Dividends and interest from investments		2,677	728
Proceeds from sale of fixed assets		4,523	2,596
Purchase of tangible fixed assets		(3,882)	(3,236)
Proceeds from sales of investments		1,757	1,482
Purchase of investments		(1,992)	(1,719)
Cash withdrawn from investment managers		302	274
Net cash used in investing activities		(11,965)	(9,168)
Changes in cash and cash equivalents in the year		(1,630)	(590)
Cash and cash equivalents brought forward		15,444	16,034
Cash and cash equivalents carried forward	15	13,814	15,444

The notes on pages 34 to 57 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2023

1. ACCOUNTING POLICIES

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

(a) Basis of Accounting

The financial statements have been prepared in accordance with the Charities Statement of Recommended Practice (Charities SORP (FRS 102)), Financial Reporting Standard 102 and the Charities Act 2011. Baptist Union of Great Britain is a registered charity, no. 1181392, and meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

(b) Basis of Consolidation

Where control is exercised by the parent charity over another entity, these entities are consolidated as subsidiaries on a line by line basis in accordance with FRS102 – section 9 and the Charities SORP (FRS102). The charity's interests in a joint arrangement are accounted for using the equity method in accordance with FRS102. The joint arrangement is accounted for by including the charity's share of the income, expenditure, assets and liabilities relating to the activity of the joint arrangement. Details of the entities and interests are given in note 13 to the financial statements. Where an entity's reporting period end differs from that of the parent, the consolidated financial statements include the financial statements of the subsidiary as of its last reporting date before the parent's reporting date, as adjusted for the effects of significant transactions or events that occur between the date of those financial statements and the date of the consolidated financial statements. Details on an entity-by-entity basis are given in note 13.

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

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

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

The trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. The charity accounts have therefore continued to adopt the going concern basis in preparing its financial statements.

(d) Funds Accounting

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

(e) Income

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

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

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2023

(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%
Solar Panels	7%
Furniture and fittings	10% and 25%
Computers and equipment	20% and 33%

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

(h) Intangible fixed assets

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

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

(i) Fixed asset investments

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

(j) Investment Property

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

(k) Debtors

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

(l) Short-term Investments

Short-term investments are short-term deposits with a maturity in excess of 3 months. Comparisons for 2022 have been restated to show their balance separately from cash at bank.

(m) Cash at bank and in hand

Cash at bank and in hand includes notice deposits and short-term deposits with a point of maturity of less than 3 months.

(n) 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.

(o) 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.

(p) Employee benefits

The charity operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the charity pays fixed contributions into a separate entity. Once the contributions have been paid the charity has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the balance sheet. The assets of the plan are held separately from the charity in independently administered fund. Prior to 2012 pension provision was made through multi-employer defined benefit pension plans. Where it is not possible for the charity to obtain sufficient information to enable it to account for a plan as a defined benefit plan, it accounts for the plan as a defined contribution plan. Where the plan is in deficit and where the charity has agreed, with the plan, to participate in a deficit funding arrangement, the charity recognises a liability for this obligation. The amount recognised is the net present value of the contributions payable under the agreement that relate to the deficit. This amount is expensed in the Statement of Financial Activities. The unwinding of the discount is recognised as a finance cost. A liability for the agreed pension scheme deficit plan of the Baptist Pension Scheme has been included, in accordance with the Schedule of Contributions dated 13 December 2023.

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2023

(q) 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.

(r) Judgement and Key Sources of Estimations Uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Estimates based on externally published data are also made for investment properties.

(a) Judgements in applying the entity's accounting policies

- (i) Multi-employer defined benefit pension schemes: Certain employees participate in multi-employer defined benefit pension schemes with other organisations. In the judgement of the Trustees, the charity does not have sufficient information on the plan assets and liabilities to be able to reliably account for its share of the defined benefit obligation and plan assets. Therefore, the schemes are accounted for as defined contribution schemes: see note 25 for further details.

(b) Accounting estimates and assumptions

- (i) Multi-employer defined benefit pension scheme: The charity has an obligation to pay a deficit funding arrangement in respect of the Baptist Pension Scheme. The present value of the obligation depends on a number of factors including the RPI rate and the discount rate on corporate bonds. Management estimates these factors in determining the new pension obligation in the balance sheet.
- (ii) Useful economic lives of tangible assets: The annual depreciation charge of tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 12 for the carrying amount of the fixed assets and note 1(g) for the useful economic lives for each class of assets.
- (iii) Bad Debt provisions: The recoverability of loans is assessed annually, and at the balance sheet date provisions for doubtful debts are provided based on prior year experiences.

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2023

2. DONATIONS AND LEGACIES

Charity	Unrestricted Funds £'000	Designated Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2023 £'000	Total 2022 £'000
Donations	3,355	-	-	-	3,355	3,423
Legacies	254	-	-	-	254	52
Subscriptions	523	-	-	-	523	464
Gifts from Other Baptist						
Constituents	399	550	-	-	949	866
Total	4,531	550	-	-	5,081	4,805

In 2022, £552k of charitable activities income was attributed to Designated Funds, £5k was attributed to Restricted Funds, and the remaining £4,248k was attributable to Unrestricted Funds.

Consolidated	Unrestricted Funds £'000	Designated Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2023 £'000	Total 2022 £'000
Donations	3,355	-	31	-	3,386	3,471
Legacies	254	-	173	-	427	435
Subscriptions	523	-	-	-	523	464
Gifts from other Baptist						
Constituents	-	-	-	-	-	(2)
Total	4,132	-	204	-	4,336	4,368

In 2022, £3,965k of charitable activities income was attributed to Unrestricted Funds, and £403k was attributable to Restricted Funds.

3. CHARITABLE ACTIVITIES

Charity	Unrestricted Funds £'000	Designated Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2023 £'000	Total 2022 £'000
Publication sales	9	-	-	-	9	9
Rent	79	-	-	-	79	106
Funds received under Ultimate Trusts	-	1,241	-	-	1,241	246
Grant Income	-	-	37	-	37	123
Trading Income	73	-	-	-	73	91
Debt Recovery	-	-	-	-	-	-
Total	161	1,241	37	-	1,439	575

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 2022, £246k was attributable to Designated Funds, £123k was attributed to Restricted Funds, and the remaining £206k was attributable to Unrestricted Funds.

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2023

3. CHARITABLE ACTIVITIES (Continued)

Consolidated	Unrestricted Funds £'000	Designated Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2023 £'000	Total 2022 £'000
Publication sales	9	-	-	-	9	8
Rent	79	-	676	-	755	774
Grant Income	-	-	37	-	37	123
Funds received under Ultimate Trusts	-	1,241	-	-	1,241	246
Interest receivable from loans	2,666	-	-	-	2,666	1,831
Expenses receivable on trusts	108	-	-	-	108	66
Fee for operating gift aid scheme	2	-	-	-	2	3
Accommodation fees	6	-	-	-	6	6
Trading Income	73	-	2	-	75	92
Debt Recovered – BSBS	-	-	-	-	-	-
Other Income	-	-	-	-	-	21
Income: Joint Venture	-	217	-	-	217	366
Total	2,943	1,458	715	-	5,116	3,536

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 2022, £612k of the charitable activities income was attributable to Designated Funds, £792k was attributed to Restricted Funds, and the remaining £2,132k was attributable to Unrestricted Funds.

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2023

4. INVESTMENT INCOME

Charity	Unrestricted Funds £'000	Designated Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2023 £'000	Total 2022 £'000
<u>Quoted Investments:</u>						
UK listed Bonds	33	4	-	5	42	44
UK listed Equities	117	15	-	16	148	90
Overseas listed Equities	71	9	-	10	90	153
Overseas listed Bonds	-	-	-	-	-	-
UK Property Unit Trusts	43	6	-	9	58	54
<u>Other:</u>						
Interest on Cash Deposits	433	-	-	-	433	21
UK Property	-	45	-	-	45	45
Total	697	79	-	40	816	407

In 2022 £289k of the investment income was attributable to Unrestricted income funds, £78k was attributable to Designated income funds, and the remaining £40k was attributable to endowment income funds.

	Unrestricted Funds £'000	Designated Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2023 £'000	Total 2022 £'000
Income before Total Return Adjustment	616	70	-	28	714	278
Total Return Adjustment	81	9	-	12	102	129
Total	697	79	-	40	816	407

In 2022, £102k was added to actual income of £187k for Unrestricted funds, £12k was added to the actual income of £66k for Designated funds, and £15k was added to actual income of £25k for Endowment funds to reflect the increase in share value in order to give a true picture of Investment Income return.

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2023

4. INVESTMENT INCOME (Continued)

Consolidated

	Unrestricted Funds £'000	Designated Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2023 £'000	Total 2022 £'000
<u>Quoted Investments:</u>						
UK listed Bonds	33	4	1	5	43	46
UK listed Equities	117	15	-	16	148	90
Overseas listed Equities	71	9	-	10	90	153
Overseas listed Bonds	-	-	-	-	-	-
UK Property Unit Trusts	43	6	-	9	58	54
<u>Other:</u>						
Interest on Cash Deposits	1,694	-	599	-	2,293	340
UK Property	-	45	-	-	45	45
Total	1,958	79	600	40	2,677	728

In 2022, £586k of the investment income was attributable to Unrestricted income funds, £78k was attributable to designated income funds, £24k was attributed to restricted income funds, and the remaining £40k was attributable to endowment income funds.

	Unrestricted Funds £'000	Designated Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2023 £'000	Total 2022 £'000
Income before Total Return Adjustment	1,877	70	600	28	2,575	599
Total Return Adjustment	81	9	-	12	102	129
Total	1,958	79	600	40	2,677	728

In 2022, £102k was added to actual income of £484k for Unrestricted funds, £12k was added to the actual income of £66k for Designated funds, and £15k was added to actual income of £25k for Endowment funds to reflect the increase in share value in order to give a true picture of Investment Income return.

5. OTHER INCOME

Charity

	Unrestricted Funds £'000	Designated Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2023 £'000	Total 2022 £'000
Other income	75	64	-	-	139	169
Total	75	64	-	-	139	169

In 2022, £77k of other income was related to Unrestricted funds, and the remaining £92k was related to Designated Funds.

Consolidated	Unrestricted Funds £'000	Designated Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2023 £'000	Total 2022 £'000
Other income	75	64	-	-	139	168
Total	75	64	-	-	139	168

In 2022, £77k of other income was related to Unrestricted funds, and the remaining £91k was related to Designated Funds.

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2023

6. RAISING FUNDS

Charity	Unrestricted Funds £'000	Designated Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2023 £'000	Total 2022 £'000
Investment	56	7	-	8	71	72
Publication expenses	-	3	-	-	3	4
Total	56	10	-	8	74	76

In 2022, £8k of costs in relation to raising funds was attributable to Endowment funds, £10k was attributable to Designated funds, and the remaining £58k was attributable to Unrestricted funds.

Consolidated	Unrestricted Funds £'000	Designated Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2023 £'000	Total 2022 £'000
Investment	56	7	-	8	71	72
Publication expenses	-	3	-	-	3	4
Total	56	10	-	8	74	76

In 2022, £8k of costs in relation to raising funds was attributable to Endowment funds, £10k was attributable to Designated funds, and the remaining £58k was attributable to Unrestricted funds.

7. CHARITABLE ACTIVITIES

Charity	Unrestricted Funds £'000	Designated Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2023 £'000	Total 2022 £'000
Regional Association						
- Mission & Operations	3,180	-	-	-	3,180	2,870
Faith & Society						
- Team Costs	842	88	-	-	930	863
- Baptist Assembly	-	80	-	-	80	165
- Ecumenical	59	-	-	-	59	58
- Other grants	110	-	75	-	185	93
Ministries						
- Team Costs	498	53	-	-	551	523
- Mission Grants	98	52	-	-	150	181
- Student Training	160	-	-	-	160	147
Safeguarding						
- Team Costs	564	59	-	-	623	569
Support Services						
- Advice & Information	39	4	-	-	43	40
- Pension Costs	-	1,452	-	-	1,452	981
- BSBS	(83)	-	-	-	(83)	(59)
- Historic England	-	-	36	-	36	47
- Benevolent Funds	-	57	-	-	57	54
Total	5,467	1,845	111	-	7,423	6,532

In 2022, £58k of costs in relation to charitable activities was attributable to Restricted funds, £1,439k was attributable to Designated funds, and the remaining £5,035k was attributable to Unrestricted funds.

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2023

7. CHARITABLE ACTIVITIES (continued)

Consolidated

	Unrestricted Funds £'000	Designated Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2023 £'000	Total 2022 £'000
Regional Association						
- Mission & Operations	3,180	-	-	-	3,180	2,870
Faith & Society						
- Team Costs	842	88	-	-	930	863
- Baptist Assembly	-	80	-	-	80	165
- Ecumenical	59	-	-	-	59	58
- Other grants	110	-	75	-	185	92
Ministries						
- Team Costs	498	52	-	-	550	523
- Mission Grants	99	52	-	-	151	181
- Student Training	160	-	-	-	160	148
Safeguarding						
- Team Costs	564	59	-	-	623	569
Support Services						
- Advice & Information	39	4	-	-	43	39
- Pension Cost	-	559	-	-	559	88
- BSBS	(83)	-	-	-	(83)	(60)
- Historic England	-	-	36	-	36	47
- Benevolent Funds	-	57	-	-	57	54
Other						
- Retirement Housing	-	-	2,628	-	2,628	1,537
- BU Corporation	3,031	-	-	-	3,031	1,385
Total	8,499	951	2,739	-	12,189	8,559

In 2022, £1,594k of costs in relation to charitable activities was attributable to Restricted funds, £546k was attributable to Designated funds, and the remaining £6,419k was attributable to Unrestricted funds.

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2023

8. ALTERNATIVE ANALYSIS OF EXPENDITURE

Charity	Direct Charitable	Grants (note 24)	Support Costs (note 9)	TOTAL 2023	TOTAL 2022
	£'000	£'000	£'000	£'000	£'000
Regional Association					
- Grants & Operational Funding	-	3,180	-	3,180	2,870
Faith & Society					
- Team Costs	472	-	458	930	863
- Baptist Assembly	80	-	-	80	165
- Ecumenical	-	59	-	59	58
- Other grants	-	185	-	185	93
Ministries					
- Team Costs	272	7	271	550	523
- Mission Grants	98	52	-	150	181
- Student Training	-	160	-	160	148
Safeguarding					
- Team Costs	316	-	308	624	569
Support Services					
- Advice & Information	22	-	21	43	40
- Pension Costs	1,452	-	-	1,452	982
- BSBS	(83)	-	-	(83)	(59)
- Historic England	36	-	-	36	47
- Benevolent Funds	-	57	-	57	54
	2,665	3,700	1,058	7,423	6,532
Cost of raising funds	74	-	-	74	76
Total	2,739	3,700	1,058	7,497	6,608

In 2022 £2,399k related to Direct Charitable expenditure, £3,237k to Grants and £972k to Support Costs

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2023

8. ALTERNATIVE ANALYSIS OF EXPENDITURE (Continued)

Consolidated	Direct Charitable	Grants	Support Costs	TOTAL 2023	TOTAL 2022
	£'000	(note 24) £'000	(note 9) £'000	£'000	£'000
Regional Association					
- Grants & Operational Funding	-	3,180	-	3,180	2,870
Faith & Society					
- Team Costs	472	-	458	930	863
- Baptist Assembly	80	-	-	80	165
- Ecumenical	-	59	-	59	58
- Other grants	-	185	-	185	92
Ministries					
- Team Costs	272	8	271	551	523
- Mission Grants	98	52	-	150	181
- Student Training	-	160	-	160	148
Safeguarding					
- Team Costs	316	-	308	624	569
Support Services					
- Advice & Information	22	-	21	43	39
- Pension Costs	559	-	-	559	88
- BSBS	(83)	-	-	(83)	(60)
- Historic England	36	-	-	36	47
- Benevolent Funds	-	56	-	56	54
Other					
- Retirement Housing	2,607	-	21	2,628	1,537
- BU Corporation	2,951	-	80	3,031	1,385
	7,330	3,700	1,159	12,189	8,559
Cost of raising funds	74	-	-	74	78
Total	7,404	3,700	1,159	12,263	8,637

In 2022 £4,337k related to Direct Charitable expenditure, £3,237k to Grants and £1,063k to Support Costs.

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2023

9. SUPPORT COSTS

Charity

	Unrestricted Funds £'000	Designated Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2023 £'000	Total 2022 £'000
Staff	387	2	-	-	389	320
Depreciation	108	87	-	-	195	162
Property	52	-	-	-	52	122
Insurance	18	-	-	-	18	27
Printing and postage	6	-	-	-	6	6
IT	87	-	-	-	87	76
Other Office Costs	15	-	-	-	15	16
Bank charges	11	-	-	-	11	11
Office facilities	4	-	-	-	4	4
Strategic Projects	-	16	-	-	16	42
Pension Costs	-	-	-	-	-	-
Total	688	105	-	-	793	786
Governance costs						
Annual Assembly	-	-	-	-	-	-
Council	33	-	-	-	33	30
Committees	49	-	-	-	49	21
Auditors' remuneration	54	-	-	-	54	35
Legal and Professional	23	99	-	-	122	100
Trustee Insurance	7	-	-	-	7	-
Total Governance costs	166	99	-	-	265	186
Total Support costs	854	204	-	-	1,058	972

In 2022, £174k of support costs were attributable to Designated funds, and the remaining £798k was attributable to Unrestricted funds.

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2023

9. SUPPORT COSTS (Continued)

Consolidated

	Unrestricted Funds £'000	Designated Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2023 £'000	Total 2022 £'000
Staff	387	2	-	-	389	320
Depreciation	108	87	-	-	195	161
Property	52	-	-	-	52	-
Insurance	18	-	-	-	18	122
Printing and postage	6	-	-	-	6	27
IT	87	-	-	-	87	6
Other Office Costs	14	-	-	-	14	77
Bank charges	11	-	-	-	11	16
Office facilities	-	-	-	-	-	11
Strategic Projects	1	16	-	-	17	4
Pension Costs	-	-	-	-	-	42
Total	684	105	-	-	789	786
Governance costs						
Annual Assembly	-	-	-	-	-	-
Council	32	-	-	-	32	30
Committees	49	-	-	-	49	21
Auditors' remuneration (see note 10)	83	-	13	-	96	65
Legal and Professional	46	99	8	-	153	142
Trustee Insurance	35	-	-	-	35	19
Total Governance costs	245	99	21	-	365	277
Total Support costs	929	204	21	-	1,154	1,063

In 2022, £16k of support costs were attributable to Restricted funds £174k were attributable to Designated funds, and the remaining £873k was attributable to Unrestricted funds.

10. NET INCOME FOR THE YEAR

	Charity		Consolidated	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
This is stated after charging/(crediting):				
Depreciation/amortisation	195	162	208	161
Auditors' remuneration:				
Audit work	54	35	96	65
Audit work - previous year	-	-	-	-
Non-audit work	-	-	-	-

11. EMPLOYEES AND TRUSTEES

	Note	Charity		Consolidated	
		2023 £'000	2022 -as restated £'000	2023 £'000	2022 -as restated £'000
Staff and appointed minister costs:					
Salaries and stipends		1,273	1,277	1,273	1,277
Social security costs		139	123	139	123
Pension costs	25	135	120	135	120
Other costs			-		
		1,547	1,520	1,547	1,520
Less: Attributable to other Baptist entities		(253)	(393)	(215)	(191)
Total		1,294	1,127	1,332	1,329
Average number employees during the year:		30	34	33	44

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2023

11. EMPLOYEES AND TRUSTEES (continued)

No employees received emoluments greater than £60,000 during the year (2022: NIL).

Total aggregate remuneration paid to key management personnel during the year was £302,271 (2022 – as restated: £328,984).

Trustee emoluments, including pension contributions of £3,131 (2022 – as restated: £2,506), were paid for one trustee (2022: 1), Rev. Lynn Green, amounting to £49,491 (2022 – as restated: £45,101). 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.

A total of £4,541 was paid to 10 Trustees in reimbursement of travelling and subsistence expenses as Trustees (2022: £3,508 to 11 Trustees).

12. TANGIBLE AND INTANGIBLE FIXED ASSETS

Charity	TANGIBLE FIXED ASSETS					TANGIBLE TOTAL	INTANGIBLE Computer Software
	Freehold Properti £'000	Leasehold Properties £'000	Computer Equipment £'000	Furniture Fittings £'000	Company Cars £'000		
Cost						£'000	£'000
1 January	4,249	-	78	82	-	4,409	399
Additions	233	-	10	29	-	272	58
Disposals	(481)	-	(60)	-	-	(541)	-
31 December	4,001	-	28	111	-	4,140	457
Depreciation/Amortisation							
1 January	531	-	72	80	-	683	213
Charge for the year	87	-	6	10	-	103	93
Disposals	(26)	-	(59)	-	-	(85)	-
31 December	592	-	19	90	-	701	306
Net Book Value							
31 December 2023	3,409	-	9	21	-	3,439	151
31 December 2022	3,717	-	6	2	-	3,725	186
Consolidated	TANGIBLE FIXED ASSETS					TANGIBLE	INTANGIBLE
	Freehold Properties £'000	Leasehold Properties £'000	Computer Equipment £'000	Furniture Fittings £'000	Company Cars £'000	TOTAL £'000	Computer Software £'000
Cost						£'000	£'000
1 January	41,965	1,615	78	81	-	43,739	399
Additions	3,536	217	10	30	30	3,823	58
Disposals	(2,279)	(132)	(60)	-	-	(2,471)	-
31 December	43,222	1,700	28	111	30	45,091	457
Depreciation/Amortisation							
1 January	531	62	72	80	-	745	213
Charge for the year	87	8	6	10	4	115	93
Disposals	(26)	(3)	(59)	-	-	(88)	-
31 December	592	67	19	90	4	772	306
Net Book Value							
31 December 2023	42,630	1,633	9	21	27	44,320	151
31 December 2022	41,434	1,553	6	1	-	42,994	186

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2023

13. FIXED ASSET INVESTMENTS

Charity	Unquoted at cost £'000	Quoted at market value £'000	Cash with Managers £'000	Investment in Property £'000	Total 2023 £'000	Total 2022 £'000
Balance at 1 January	2,760	9,183	209	3,555	15,707	16,413
Additions	-	869	1,124	-	1,993	1,720
Disposals	-	(889)	(868)	-	(1,757)	(1,482)
Realised and unrealised gain/(loss)	-	662	18	235	915	(670)
Withdrawals	-	-	(302)	-	(302)	(274)
Balance at 31 December	2,760	9,825	181	3,790	16,556	15,707
Historical cost of investments					8,530	9,427
Consolidated		Quoted at market value £'000	Cash with Managers £'000	Investment Property £'000	Total 2023 £'000	Total 2022 £'000
Balance at 1 January		9,212	209	3,555	12,976	13,684
Additions		868	1,124	-	1,992	1,720
Disposals		(889)	(868)	-	(1,757)	(1,482)
Realised and unrealised gain/(loss)		663	18	235	916	(672)
Withdrawals		-	(302)	-	(302)	(274)
Balance at 31 December		9,854	181	3,790	13,825	12,976
Add / (deduct) share of net assets of Baptist House Limited					127	125
Total Fixed Asset Investments					13,952	13,101
Historical Costs of Investments					8,530	8,309
The following investments exceeded 5% of the total portfolio:					2023 £'000	2022 £'000
Royal London Ethical Bond Fund					695	856
Charities Property Fund					537	621
Unquoted investments at cost					2023 £'000	2022 £'000
Baptist House Ltd					300	300
Baptist Union Corporation Ltd					2,460	2,460
Total unquoted investment at cost					2,760	2,760

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

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

- Baptist Union Corporation Limited is a company limited by guarantee, registered number 00032743, and a registered charity, number 249635. It has been consolidated on a line-by-line basis. At the year ended of 31 December 2023 the company had capital and reserves of £4,387k (2022: £4,387k).
- Retired Baptist Ministers' Housing Organisation (RBMHO) is a Charitable Incorporated Organisation, registered charity number 1177649. It has been consolidated on a line-by-line basis. During the year ended 31 December 2023. RBMHO made a surplus of £1,657k (2022: £1,695k), before consolidation, and the Company had accumulated capital and reserves of £40,542k (2022: £38,885k).
- 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 2023 Baptist House Limited made a profit of £2k (2022: loss of £27k) and the Company had reserves of £127k (2022: £125k).

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2023

14. DEBTORS

	Charity		Consolidated	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Accrued income	366	56	1,118	371
Prepayments and other debtors	113	557	293	857
Loans to staff	-	-	-	-
Amounts owed by group entities	32	22	-	-
	511	635	1,411	1,228
Loans:				
- Baptist Strategy Building Scheme (BSBS) loans	31	35	31	35
- Baptist Union Corporation Ltd	966	875	-	-
- Manse Loans	-	-	4,269	4,544
- Church Loans	-	-	10,534	12,203
- Pension Loans	-	-	263	331
- Baptist Colleges	-	-	333	328
- Secured advances to churches	-	-	-	111
- Provision for Doubtful Debts	-	-	-	-
	997	910	15,430	17,552
Total	1,508	1,545	16,841	18,780

In respect of the outstanding BSBS loans of £31k, £9k is due to be repaid within 12 months (2022: £9k), and £22k is due to be repaid between two and five years (2022: £26k).

In respect of the outstanding loans of £15,399k (2022: £17,552k), £1,170k (2022: £627k) is due to be repaid within 12 months, £898k (2022: £4,790k) is due to be repaid between one and two years, £3,076k (2022: £1,281k) is due to be repaid between three and five years, and £10,256k (2022: £15,129k) is due to be repaid in more than five years.

Loans totalling £4,235k (2022: £1,103k) have been approved but not taken up as at 31 December 2023.

15. ANALYSIS OF CASH AND SHORT-TERM INVESTMENTS

Charity	1 Jan 2023 -as restated £'000	Cash Flow £'000	31 Dec 2023 £'000
Notice Deposits	2,000	8,058	10,058
Cash at Bank	5,664	(3,848)	1,816
Total	7,664	4,210	11,874
Consolidated	1 Jan 2023 -as restated £'000	Cash Flow £'000	31 Dec 2023 £'000
Notice Deposits	21,658	15,351	37,009
Cash at Bank	15,444	(1,630)	13,814
Total	37,102	13,721	50,823

Notice deposits are available between 3 and 12 months, cash at bank is available in less than 3 months.

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2023

16. CREDITORS

	Charity		Consolidated	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Amounts falling due within one year:				
Accruals and other creditors	365	139	816	269
Staff Loans	-	-	-	-
Trust accounts	-	-	13,114	14,168
Covenant Trust accounts	-	-	-	-
Loan fund deposits	-	-	62,994	51,370
Inter-company creditors	-	-	-	-
Bank Overdraft	-	1	-	-
Loans	8,498	5,108	2,290	2,227
Total	8,863	5,248	79,214	68,034

Included in the Loans is £2,290k (2022: £2,227k) of interest free loans which represent contributions received towards the cost of properties which are to be repaid when the tenancy is terminated. These are shown as current liabilities as the dates of repayment cannot be determined.

17. LONG-TERM LIABILITY

	Charity		Consolidated	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Loan from Group Entity				
RBMHO	20,000	20,000	-	-
Total	20,000	20,000	-	-

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

18. PROVISION FOR LIABILITIES

	Charity		Consolidated	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Defined Benefit pension scheme liability				
Balance sheet liability at 1 st Jan	4,893	172	4,893	172
Deficiency contributions paid	-	(22)	-	(22)
Interest losses (recognised in Sofa)	-	3	-	4
Actuarial (Gains)/losses	-	(18)	-	(19)
(Gain)/Loss in funding plan	(4,893)	4,758	(4,893)	4,758
Balance sheet liability at 31st Dec	-	4,893	-	4,893

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

19. CONTINGENT ASSET

There were no contingent assets for the year ended 31st December 2023 or for the year ended 31st December 2022.

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2023

20. ENDOWMENT FUNDS

Consolidated and Charity	1 Jan 2023 £'000	Income £'000	Expenditure £'000	Gains and Losses £'000	Transfers £'000	31 Dec 2023 £'000
Sustentation Fund	1,111	40	(8)	80	(32)	1,191
Total	1,111	40	(8)	80	(32)	1,191
			Fixed Assets £'000	Investments £'000	Current Assets £'000	Total £'000
Sustentation Fund			-	1,111	80	1,191
Total			-	1,111	80	1,191

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 2023 £'001	Income £'000	Expenditure £'000	Gains and Losses £'000	Transfers £'000	31 Dec 2023 £'001
a) Retired Ministers' Benevolent Fund	8	-	-	-	-	8
b) Baptist Union Network	10	-	(10)	-	-	-
c) Online World Project	65	-	(65)	-	-	-
d) Historic England: Listed Buildings	-	37	(36)	-	-	1
Total Charity	83	37	(111)	-	-	9
e) RBMHO	38,798	1,482	(2,628)	1,847	956	40,455
Total Consolidated	38,881	1,519	(2,739)	1,847	956	40,464
			Fixed Assets £'000	Investments £'000	Current Assets £'000	Total £'000
(a) Retired Ministers' Benevolent Fund			-	-	8	8
(b) Baptist Union Environment Network			-	-	-	-
(c) Online World Project			-	-	-	-
(d) Historic England: Listed Buildings			-	-	1	1
Total Charity			-	-	9	9
(e) RBMHO			40,881	30	(456)	40,455
Total Consolidated			40,881	30	(447)	40,464

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

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2023

22. DESIGNATED FUNDS	1 Jan 23 £'000	Income £'000	Expenditure £'000	Gain/(loss) £'000	Transfer £'000	31 Dec 23 £'000
Loan fund capital	2,461	-	-	-	-	2,461
Baptist Strategy Building Scheme	35	-	-	-	(5)	30
Pension Reserve	(16,588)	1,791	(1,538)	-	-	(16,335)
Baptist House Reserve	2,952	-	(67)	-	-	2,885
Fixed Asset Reserve	2,246	-	(20)	-	(234)	1,992
Pastoral Fund	2,032	79	(118)	68	-	2,061
Student Loan Fund	200	-	-	-	-	200
Strategic Projects	10	-	(29)	-	19	-
Baptist Assembly	-	64	(82)	-	18	-
Total Charity	(6,652)	1,934	(1,854)	68	(202)	(6,706)
Elimination / Adjust on consolidation						
- Loan Fund Capital	(1,460)	-	-	-	-	(1,461)
- Pension Reserve	-	(550)	893	-	(343)	-
- Baptist House Reserve	(175)	-	-	2	-	(173)
Total Consolidated	(8,287)	1,384	(961)	70	(545)	(8,340)

	Fixed Assets £'000	Investments £'000	Current Assets £'000	Long-Term Liability £'000	Total £'000
(a) Loan fund capital	-	2,460	-	-	2,460
(b) Baptist Strategy Building Scheme	-	-	31	-	31
(c) Pension Reserve	-	-	3,665	(20,000)	(16,335)
(d) Baptist House Reserve	1,598	1,287	-	-	2,885
(e) Fixed Asset Reserve	1,992	-	-	-	1,992
(f) Pastoral Fund	-	805	1,256	-	2,061
(g) Student Loan Fund	-	-	200	-	200
(h) Strategic Projects	-	-	-	-	-
Total Charity	3,590	4,552	5,152	(20,000)	(6,706)
Elimination / Adjust on consolidation					
(a) Loan fund capital	-	(1,460)	-	-	(1,460)
(c) Pension Reserve	-	-	(20,000)	20,000	-
(d) Investment in Baptist House Ltd	-	(173)	-	-	(173)
Total Consolidated	3,590	2,919	(14,848)	-	(8,339)

- (a) The Loan Fund Capital is the investment in Baptist Union Corporation to provide capital to the Baptist Union Loan Fund. The loan fund primarily assists churches with finance for new buildings, for extensions and/or refurbishment of church premises, for the purchase of church manses and loans to enable churches to pay off their pension deficits
- (b) The Baptist Strategy Building Scheme provided loans to finance to church building. The fund represents balances outstanding and is not open to new applications. Repayments are transferred to Unrestricted funds.
- (c) The Pension Reserve has been established by the Baptist Union of Great Britain to support the Baptist denomination in addressing the issues relating to the deficit in the Baptist Pension Scheme. Funds are intended to be used to (1) clear the debts to the scheme of closed churches where no other funds are available, in order to avoid the Pension Trustees having to pursue individual church trustees for repayment, and (2) provide funds to reduce the overall deficit in the Baptist Pension Scheme.
- (d) The Baptist House Reserve recognises the investment in Baptist House that is used for operational purposes to provide office accommodation for the Specialist Teams and is not readily a liquid asset.
- (e) The Fixed Asset Reserve holds fixed assets used to support the ongoing operations of BUGB. This is not a readily liquid asset.
- (f) The Pastoral Fund exists for the relief of need, hardship or distress.
- (g) Student Loan Fund has been created to assist ministerial students who need access to additional financial support in particular if they are unable to access funds from the Government Student Loan scheme. The scheme is administered by Kingdom Bank, a registered FSA organisation, and their bad debt loans are underwritten through this reserve.
- (h) The Strategic Projects Fund is to provide funding for projects deemed of strategic importance to The Union.

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2023

23. ANALYSIS OF NET ASSETS

Consolidated	Fixed Assets	Investments	Net Current Assets	Long Term Liability	Total
	£'000	£'000	£'000	£'000	£'000
Endowment Funds	-	1,111	80	-	1,191
Restricted Funds	40,881	30	(447)	-	40,464
Designated Funds	3,590	2,919	(14,849)	-	(8,340)
Unrestricted Funds	-	9,892	3,666	-	13,558
Total	44,471	13,952	(11,550)	-	46,873

Charity	Fixed Assets	Investments	Net Current Assets	Long Term Liability	Total
	£'000	£'000	£'000	£'000	£'000
Endowment Funds	-	1,111	80	-	1,191
Restricted Funds	-	-	9	-	9
Designated Funds	3,591	4,552	5,151	(20,000)	(6,706)
Unrestricted Funds	-	10,892	(721)	-	10,171
Total	3,591	16,555	4,519	(20,000)	4,665

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2023

24. GRANTS

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

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

	Regional Association Operational Funding £'000	Other Baptist Partner Institutions £'000	Ecumenical Partners £'000	TOTAL £'000
Angus Library	-	10	-	10
Baptist World Alliance	-	10	-	10
Bristol Baptist College	-	32	-	32
Central Baptist Association	253	-	-	253
Churches Together in England	-	-	24	24
Churches Together in Ireland	-	-	10	10
CMCS	-	-	52	52
East Midlands Baptist Association	231	-	-	231
Eastern Baptist Association	268	-	-	268
European Baptist Federation	-	65	-	65
Heart of England Baptist Association	274	-	-	274
London Baptist Association	409	-	-	409
North Western Baptist Association	244	-	-	244
Northern Baptist Association	158	-	-	158
Northern Baptist College	-	29	-	29
Mission Forum	-	22	-	22
Porticus	-	65	-	65
South Eastern Baptist Association	262	-	-	262
South Wales Baptist Association	215	-	-	215
South West Baptist Association	187	-	-	187
Southern Counties Baptist Association	271	-	-	271
Spurgeons College	-	52	-	52
West of England Baptist Association	211	-	-	211
Yorkshire Baptist Association	198	-	-	198
	3,181	285	86	3,552
Total grants under £10k	-	19	32	51
Total Grants excluding Training & Pastoral	3,181	304	118	3,603
Training Grants				42
Pastoral Grants				56
Total Grants				3,701

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2023

25. PENSIONS

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

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

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

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 valuations of the Defined Benefit (DB) Plan in the BPS, which was completed in 2020. This valuation was performed by a professionally qualified Actuary using the Projected Unit Method.

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

Actuarial valuation as at 31 December 2019

A formal valuation of the DB Plan as at 31 December 2019 was carried out by a professionally qualified Actuary using the Projected Unit Method. At the valuation date the market value of the DB Plan assets was £298 million, whilst the level of assets needed to pay benefits was £316m, giving a deficit of £18m (equivalent to a past service funding level of 94%). The Church and the other participating employers in the DB Plan are collectively responsible for funding this deficit.

The key financial assumptions underlying the valuation were as follows

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2023

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

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

Recovery Plan

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

On 30th June 2022 the Baptist Pension Scheme signed an agreement with the insurance company Just Group (“Just”) to secure DB Plan members’ pension benefits. Just are now providing financial backing for all pensions provided through the Scheme’s DB Plan and following this transaction, the Scheme no longer has a shortfall. An updated Recovery plan was then signed in August 2022 under which recovery contributions from each participating employer in the DB Plan, other than the Union, reduced to £1 per month from August 2022. For the union the recovery plan included a final payment of £6m in 2026 which was recognised in the prior year’s financial statements on a discounted basis of £4.7m. A revised schedule of contributions was signed on 13 December 2023 which reduced contributions for all employees including the union to £1 per month. Accordingly, the provision made last year of £4.7m has been reversed.

To provide the Trustee of the Baptist Pension Scheme with security of funding, £3m was placed into an escrow account in September 2022, which can be drawn on by the scheme should it be able to demonstrate the need for additional funding.

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2023

Movement in Balance Sheet liability

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

	2023 £k	2022 £k
Balance sheet liability at year start	4,893	172
Minus normal deficiency contributions paid	-	-21
Interest cost (recognised in SoFA)	-	3
Loss/(Gain) on actuarial re-measurement	-	-19
Loss/(gain) on change of funding plan	-4,893	4,758
Balance sheet liability at year end	-	4,893

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

	31 Dec 2023	31 Dec 2022	31 Dec 2021
Discount Rate	5.19%	5.66%	2.00%
Future increases to Minimum Pensionable Income	3.43%	3.26%	4.06%

26. RELATED PARTY TRANSACTIONS

Apart from the disclosures in note 11, there are no other trustee reimbursements. (2022: £NIL)



www.baptist.org.uk/annualreport

The Baptist Union of Great Britain
Registered charity number 1181392

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