

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

Report of the Trustees and
Unaudited Financial Statements for the Year Ended 31 December 2016
for
North Western Baptist Association

North Western Baptist Association

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for the Year Ended 31 December 2016

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North Western Baptist Association

Reference and Administrative Details
for the Year Ended 31 December 2016

TRUSTEES

Rev P Elson
Rev P Jump
Rev S Crawford (resigned 30.6.16)
Rev A Crawford
Rev R Preston
Mrs S Nutter
Mrs D Landriau
Mr A Clunie
Rev Dr S Oxley
Mrs L Hopkins (resigned 6.7.16)
Rev N J Brighton
Rev T Presswood
Rev S Hough
Rev J A Dodd
Rev G Ayoma
Rev T J Casey
Rev J Bradbury
Rev D Livermore
Mrs S Geere (resigned 25.4.16)
Rev I Geere (resigned 25.4.16)

COMPANY SECRETARY

Mr Mark Heaton

REGISTERED OFFICE

IM Resource Centre
Fleet St
Pemberton
Wigan
WN5 0DS

REGISTERED COMPANY NUMBER

00209503 (England and Wales)

REGISTERED CHARITY NUMBER

0247113

INDEPENDENT EXAMINER

C Cooper
Cassons Business Advisers LLP
St Crispin House
St Crispin Way
Haslingden
Lancashire
BB4 4PW

North Western Baptist Association

Reference and Administrative Details
for the Year Ended 31 December 2016

BANKERS

Unity Trust Bank
Nine Brindleyplace
Birmingham
B1 2HB

Barclays Bank PLC
Victoria House
6 Market Place
Wigan
Lancashire
WN1 1QS

Scottish Widows Bank
P O Box 12757
Morrison Street
Edinburgh
EH3 8YJ

North Western Baptist Association

Report of the Trustees for the Year Ended 31 December 2016

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2016. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

OBJECTIVES AND ACTIVITIES

OBJECTS

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

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

Public benefit

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

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

OBJECTIVES AND ACTIVITIES
Report of Activities and Objectives for 2016
Renewing God's Church

Offer a further "Open to God" leaders' day towards the end of 2016 - This was not arranged due to capacity issues, but has been included in the 2017 theme "prayerful listeners".

Continue to work with churches on a one to one basis, promoting "spiritual health" as a key issue in local church life. - This remains an integral part of the team's work and is included in the 2017 "Prayerful Listeners" initiative.

Participate in 2017 Merseyside Pentecost Festival - The event took place and was a significant success. It featured on National television and plans are in place for a further two events in 2017 and 2018.

Equipping God's people

Work in partnership with NBC to develop a "formation hub" for local leaders and ministers - An initial phase is underway, bringing a cohort of leaders together as a learning community. Conversations are ongoing with Latchford Baptist Church.

Arrange the annual IMPACT weekend for young people and leaders - This took place in October 2017.

Develop a local plan for the implementation of the BUGB IGNITE report as this develops. We have fully participated in all national initiatives. In addition significant discussions are underway within the Ministerial Recognition Team to review procedures and criteria. We have also developed a leadership initiative, working with a small cohort of leaders to explore how leadership development and mentoring can be further developed.

Offer a training/update event with a particular emphasis on pension, finance and trustee matters. - This took place in April at Hill Cliff Baptist Church.

Offer a further "Help I'm a Deacon" training day. - This took place in April at Latchford Baptist Church.

Continue to work in partnership with NBC, YBA and NBA to develop a vision for "Ministry in the North". Further meetings were held in 2016 - the Latchford Formation Hub and leadership initiative (see above) are two key outcomes of this.

Continue to develop a 5 year programme for Women in Leadership. A retreat event was held in 2016. Further progress in 2016 has been limited. Active conversations with YBA about a possible joint initiative are ongoing.

Review and develop the Young Leaders programme. - An initial review has taken place and a cohort of 4 leaders were included in the IMPACT weekend. Further work on this is ongoing.

Provide access to appropriate training and support for churches in relation to Safeguarding issues. Various training events were arranged and a further programme ongoing. We are particularly seeking to develop a "self-sustaining" approach through "training the trainers" events and supporting BU explorations of on-line training modules.

Review the first year Continuing Ministerial Development initiative and continue to promote and encourage CMD. Take up of the first-year programme was disappointing. We are exploring other models of CMD, particularly around "leadership hubs".

Continue to work ecumenically to provide training for youth workers and leaders. A number of events took place in 2016, review of this provision is ongoing.

Pursuing God's Justice

To work with BUGB in developing and co-ordinating an appropriate response to the refugee crisis. Significant work has been done in this area, with several stories of the positive impact of refugee and migrant Christians in several of our churches. A number of NWBA delegates attended a national consultation in April. Significant ecumenical work has also been done, particularly in Merseyside through the "SAS" project. This has raised several justice issues, and we are continuing to develop networks regionally and nationally to engage in this area.

OBJECTIVES AND ACTIVITIES

Report of Activities and Objectives for 2016

Working with a particular focus on Merseyside to support refugee families (Liverpool is the last location for asylum appeals in the UK, so attracts an unusually high number of asylum seekers) see above.

Continue to work with JPIT and ecumenical partners to support and develop local church commitment to justice issues. JPIT secondment has continued through the year. Several national resources have been developed in partnership with NWBA churches.

To continue the partnership with NBC to explore the development of an Urban Theology Centre. Progress has continued throughout the year, though the key initiative has come through NBC.

Continue to work with JPIT and ecumenical partners to support and develop local church commitment to justice issues. This has been ongoing, with a particular focus on refugees and during Advent.

To work with Christian Aid, Industrial Christian Fellowship and Salt of the Earth to explore and highlight issues of business ethics, workplace justice etc. Several SOE/ICF events have been arranged. The Christian Aid partnership has not progressed as the final decision was made to develop the first phase in the South East.

Work in partnership with Church Action on Poverty and other agencies to develop ways in which churches can provide strategic ways to address economic hardship, focusing on the development of Self Reliant Groups. Limited progress due to capacity issues

Enabling God's Mission

Promote the "Love-Hope- Acceptance" initiative and arrange participation in BUGB "40 days of Good News" encouraging all of our churches to engaged afresh in a vision for evangelism. Significant effort was invested in a prayer card initiative, with demand requiring a re-print (totalling 7000 cards) It has been difficult to establish and process for measured feedback, but there is some anecdotal evidence of renewed focus on evangelism.

Encourage Mission Networks to hold a roadshow in the early part of 2016 around the "Love- Hope- Acceptance" theme and also make this the foundation of the autumn forum event. Roadshows were somewhat spasmodic, though significant conversations about a more intentional, leadership development approach have taken place in North Wales and Cumbria, with developing plans for 2017.

Continue to develop and support Mission hubs - these continue to be promoted and developed, though take up has been slow.

Continue to operate and develop Home Mission funding arrangements with a clear emphasis on enabling strategic mission. We are pleased to report that despite further funding cuts in our Association share, all inherited, ongoing ministries have been supported. Churches have responded positively to reduced funding requests, which in places has generated creative approaches to supporting and sustaining ministry. However, Home Mission giving reduced in 2016, so it remains a challenge to sustain current funding levels.

Continue to offer a programme of youth work support centred around the annual Impact Weekend. The impact weekend was successfully arranged. There is a need to review the scope and resourcing of other youth-work support.

Develop an NWBA expression of the Pioneer Collective in partnership with YBA and NBC. Progress has been limited, but we are pleased to report the appointment of Revd. Roy Searle as Pioneer enabler working for the three Associations.

Expressing God's love

Recognising that our primary task is to support and encourage the local church, as the key expression of God's love in our communities, we remain committed to making "covenant" the defining foundation of all of our work. Express examples of this would be mission hubs, LRM programme etc.

Work with Mission Networks to increase a sense of connectivity across NWBA.

For progress on these areas - see above.

OBJECTIVES AND ACTIVITIES
Report of Activities and Objectives for 2016
Organisational Objectives

Develop an overall Transition Strategy for 2016-2017 - Work has been ongoing with a number of consultation events in Autumn 2016. Initial reports have been drafted for further work in 2017.

Further update and develop the NWBA website - The website has been maintained but no real progress on new design.

Fully implement the Baptists Together Collaborate (shared database) project with a view to NWBA stand-alone database becoming obsolete. The national database went live in Autumn 2016 - Initial training has taken place for all NWBA team members.

Complete Introduction of shared serve access to Office 365 and Sharepoint - Initial work has been done with further roll-out planned for 2017. This is being done in parallel with BUGB to significantly reduce "duplicate filing".

Continue and develop "Sharing our Story" programme - We have now reached our objective of having sufficient material for a different story each week. These continue to be collected and published.

Objects and Public Benefit
Objects

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

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

Public benefit

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

FINANCIAL REVIEW

Sources of income

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

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

Year End Position

The total income for the year amounted to £296,444. This included £60,574 received from the sale proceeds of a closed church.

Expenditure included an exceptional write off of a loan amounting to £66,030. This was made several years ago for the construction of a church building. The charity to which the loan was made is not in a position to repay the loan. NWBA does however hold title to the land on which the building was constructed. A further loan of £3,000 was written off.

A former house rented out by NWBA was sold in the year.

The deficit on the unrestricted fund was £37,882.

Details of reserves are set out later in the report.

FINANCIAL REVIEW

Funds

Unrestricted funds

The Charity's unrestricted reserve consists of a general fund and five designated funds, which at the year-end amounted to £964,494 (2015 £1,002,376) which the Trustees have allocated as follows:

General fund £52,034
Social investment Property £203,275
Loan fund £200,000
One year's running costs £200,000
East Lancashire Fund £127,184
Pension reserve £182,000

Restricted funds

There are two restricted funds:

Ministerial Emergency Fund:

This is funded by donations and is used to enable study grants and financial support for ministers in need. Grants of £Nil (2015 - £500) have been made during the year.

Merseyside Fund

A donation of £80,000 was given in 2011 from the sale proceeds of Cornerstone Baptist Church for work in Merseyside. £11,512 (2015 - £11,796) has been utilised in the year, leaving £47,647 (2015 - £59,161) to be carried forward for future projects in the area.

Investment Powers and Restrictions

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

Investment performance achieved against investment objectives set

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

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

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

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

Grants policy

The Association does not normally give grants to outside bodies or members churches. We may in exceptional circumstances offer support funding for activities which are agreed by Council as "Strategic Mission projects".

Funding is also given with the approval of Council to member churches in emergency situations. Wherever possible we seek to do this on a loan basis.

At the year end, loans outstanding amounted to £15,428 (2015 £88,989). The Trustees have designated a maximum of £200,000 for such loans. This leaves over £184,572 (2015 - £110,000) available as at the balance sheet date.

KEY OBJECTIVES FOR 2017

For some years now, we have summarised our key objectives in a format that reflects the overall strategic framework developed by Baptists Together. However, we detect a decreasing commitment to this approach nationally, so for 2017 have approached this in a way that better reflects what we see as the defining approach of our work.

We have set as our proposed theme for 2017 "Prayerful Listeners" and would seek to particularly express this in two ways:

- To be an Association that listens and responds to the priorities and concerns of our member churches.
- To encourage those churches to be discerning and Christ-focussed as they determine their concerns and priorities.

We would summarise this with the overall objective to encourage:

Spiritually Healthy, sustainable churches

We recognise that while this will be influenced by many factors, the most significant will often be those individuals who are called to roles of ministry and leadership within in those churches. We also recognise that our patterns of leadership are becoming increasingly diverse, and while we remain committed to supporting and identifying accredited Baptist ministers, this must be done in a way that includes and affirms other patterns of leadership, particularly exploring how effective leadership can be developed and deployed in situations where paid ministry is proving increasingly difficult to sustain. Leadership development will therefore be our key focus.

Adding to this our broader priorities, our key objectives for the year will be:

- Promote and learn from the "Prayerful Listeners" theme.
- Develop an intentional approach to identifying and developing "spiritual health" in our churches.
- Work with the Pioneer Co-ordinator to develop a clear strategy for supporting and developing pioneer ministries, including issues of funding.
- Review and develop our approach to Ministerial Recognition, exploring partnership opportunities with YBA/NBA and seeking to incorporate learning from other aspects of leadership development work.
- Review and develop our approach to ministry and leadership development to recognise the increasing diversity that includes local leaders, all-member ministry, accredited ministers and trans-local ministers and leaders. This should incorporate the Young leaders programme, Women in Leadership initiatives, the Latchford Centre, Leadership Development Hubs and Hawkshead Hill Chapel as a centre of ministry support and spiritual direction.
- Arrange key NWBA events - Impact Weekend, Forum, AGM, Ministers' Conference.
- Review and re-develop NWBA website.
- Work with churches on key justice issues, especially in responding to the increased presence of refugee Christians in our churches.
- Working with churches to develop a sustainable approach to key funding challenges including pension deficits, Home Mission support and NWBA funding.
- Complete planning work on transition and produce an agreed strategy/timetable

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

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

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

Structure

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

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

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

Risk Assessment

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

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

FUNDS HELD AS CUSTODIAN FOR OTHERS

The NWBA is a Custodian Trustee for many churches in its membership. It holds property, stocks and shares and bank accounts in its position as trustee. Deeds to properties are held with the Baptist Union Corporation, other assets are held separately from Association own assets. During 2016 work commenced on transferring this work to the Baptist Union Corporation.

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

Approved by order of the board of trustees on 25 May 2017 and signed on its behalf by:

Rev P Elson - Trustee

North Western Baptist Association

Statement of Trustees Responsibilities
for the Year Ended 31 December 2016

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

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

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

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

Independent Examiner's Report to the Trustees of
North Western Baptist Association

I report on the accounts for the year ended 31 December 2016 set out on pages twelve to twenty one.

Respective responsibilities of trustees and examiner

The charity's trustees (who are also the directors for the purposes of company law) are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year (under Section 144(2) of the Charities Act 2011 (the 2011 Act)) and that an independent examination is required. The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of FCA.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under Section 145 of the 2011 Act
- to follow the procedures laid down in the General Directions given by the Charity Commission (under Section 145(5)(b) of the 2011 Act); and
- to state whether particular matters have come to my attention.

Basis of the independent examiner's report

My examination was carried out in accordance with the General Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statements below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- (1) which gives me reasonable cause to believe that, in any material respect, the requirements
 - to keep accounting records in accordance with Section 386 and 387 of the Companies Act 2006; and
 - to prepare accounts which accord with the accounting records, comply with the accounting requirements of Sections 394 and 395 of the Companies Act 2006 and with the methods and principles of the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)

have not been met; or

- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Carlton Cooper
FCA
Cassons Business Advisers LLP
St Crispin House
St Crispin Way
Haslingden
Lancashire
BB4 4PW

28th September 2017.

North Western Baptist Association

Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the Year Ended 31 December 2016

	Notes	Unrestricted funds £	Restricted funds £	31.12.16 Total funds £	31.12.15 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	277,488	983	278,471	197,407
Charitable activities					
Mission and evangelism		15,511	-	15,511	18,000
Investment income	3	<u>2,462</u>	<u>-</u>	<u>2,462</u>	<u>5,862</u>
Total		295,461	983	296,444	221,269
EXPENDITURE ON					
Raising funds	4	15,601	-	15,601	7,722
Charitable activities					
Mission and evangelism		324,088	-	324,088	244,493
Grants- Ministerial Emergency Fund		<u>-</u>	<u>1,000</u>	<u>1,000</u>	<u>500</u>
Total		339,689	1,000	340,689	252,715
Net gains/(losses) on investments		<u>(5,166)</u>	<u>-</u>	<u>(5,166)</u>	<u>13,065</u>
NET INCOME/(EXPENDITURE)		(49,394)	(17)	(49,411)	(18,381)
Transfers between funds	15	<u>11,512</u>	<u>(11,512)</u>	<u>-</u>	<u>-</u>
Net movement in funds		(37,882)	(11,529)	(49,411)	(18,381)
RECONCILIATION OF FUNDS					
Total funds brought forward		1,002,376	63,721	1,066,097	1,084,478
TOTAL FUNDS CARRIED FORWARD		<u>964,494</u>	<u>52,192</u>	<u>1,016,686</u>	<u>1,066,097</u>

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

North Western Baptist Association

Balance Sheet

At 31 December 2016

	Notes	Unrestricted funds £	Restricted funds £	31.12.16 Total funds £	31.12.15 Total funds £
Investments					
Investments	10	709,436	47,647	757,083	575,365
Investment property	11	-	-	-	135,000
Social investments	12	<u>215,703</u>	<u>-</u>	<u>215,703</u>	<u>292,264</u>
		925,139	47,647	972,786	1,002,629
CURRENT ASSETS					
Debtors	13	13,559	-	13,559	8,293
Cash at bank and in hand		<u>38,323</u>	<u>4,545</u>	<u>42,868</u>	<u>164,179</u>
		51,882	4,545	56,427	172,472
CREDITORS					
Amounts falling due within one year	14	(12,527)	-	(12,527)	(109,004)
		<u>39,355</u>	<u>4,545</u>	<u>43,900</u>	<u>63,468</u>
NET CURRENT ASSETS					
TOTAL ASSETS LESS CURRENT LIABILITIES					
		<u>964,494</u>	<u>52,192</u>	<u>1,016,686</u>	<u>1,066,097</u>
NET ASSETS					
		<u><u>964,494</u></u>	<u><u>52,192</u></u>	<u><u>1,016,686</u></u>	<u><u>1,066,097</u></u>
FUNDS					
Unrestricted funds	15			964,494	1,002,376
Restricted funds				<u>52,192</u>	<u>63,721</u>
TOTAL FUNDS					
				<u><u>1,016,686</u></u>	<u><u>1,066,097</u></u>

The notes form part of these financial statements

North Western Baptist Association

Balance Sheet - continued

At 31 December 2016

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2016.

The members have not required the charitable company to obtain an audit of its financial statements for the year ended 31 December 2016 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

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

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

The financial statements were approved by the Board of Trustees on 25 May 2017 and were signed on its behalf by:

Rev P Elson -Trustee

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

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

Income

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

Expenditure

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

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

Investment property

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in market value is transferred to a revaluation reserve.

Taxation

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

Fund accounting

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

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

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

Pension costs and other post-retirement benefits

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

Notes to the Financial Statements - continued
for the Year Ended 31 December 2016

2. DONATIONS AND LEGACIES

	31.12.16	31.12.15
	£	£
Donations	18,091	25,955
Grants	177,476	163,327
Other income	<u>82,904</u>	<u>8,125</u>
	<u>278,471</u>	<u>197,407</u>

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

	31.12.16	31.12.15
	£	£
Baptist Union of Great Britain	169,611	158,230
Reyner Trust	500	-
Baptist Training Partnership for Young leaders	5,000	-
Reyner Trust for use in Merseyside	2,040	-
Merseyside Church Watch	325	-
Other grants	<u>-</u>	<u>5,097</u>
	<u>177,476</u>	<u>163,327</u>

3. INVESTMENT INCOME

	31.12.16	31.12.15
	£	£
Rents received	678	2,124
Listed investment income	754	2,236
Unlisted investment income	200	200
Deposit account interest	538	319
Interest receivable on Social Investment loans	<u>292</u>	<u>983</u>
	<u>2,462</u>	<u>5,862</u>

4. RAISING FUNDS

Investment management costs

	31.12.16	31.12.15
	£	£
Portfolio management	8,169	7,211
Property repairs	<u>7,432</u>	<u>511</u>
	<u>15,601</u>	<u>7,722</u>

5. SUPPORT COSTS

	Management	Governance	Totals
	£	costs £	£
Mission and evangelism	<u>11,512</u>	<u>20,356</u>	<u>31,868</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2016

6. NET INCOME/(EXPENDITURE)

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

	31.12.16	31.12.15
	£	£
Deficit on disposal of fixed asset	702	-
Independent examiner fee	<u>804</u>	<u>780</u>

7. TRUSTEES' REMUNERATION AND BENEFITS

Directors salaries of £71,793 (2015: £73,417) were paid during the year. These are authorised by the Memorandum and Articles.

Housing payments of £21,519 (2015: £19,687) and travelling expenses of £11,710 (2015: £12,773) and other expenses of £7,401 (2015: £8,738) were paid to the Regional Ministers.

Trustees' expenses

Other trustees received travelling expenses of £1,771 (2015: £1,258).

8. STAFF COSTS

	31.12.16	31.12.15
	£	£
Wages and salaries	122,510	118,210
Social security costs	9,238	8,084
Other pension costs	<u>14,253</u>	<u>14,589</u>
	<u>146,001</u>	<u>140,883</u>

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

	31.12.16	31.12.15
Mission and evangelism	5	5
Administration	<u>1</u>	<u>1</u>
	<u>6</u>	<u>6</u>

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

9. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	196,935	472	197,407
Charitable activities			
Mission and evangelism	18,000	-	18,000
Investment income	<u>5,862</u>	<u>-</u>	<u>5,862</u>
Total	220,797	472	221,269

Notes to the Financial Statements - continued
for the Year Ended 31 December 2016

9. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted funds £	Restricted funds £	Total funds £
EXPENDITURE ON			
Raising funds	7,722	-	7,722
Charitable activities			
Mission and evangelism	244,493	-	244,493
Grants- Ministerial Emergency Fund	-	500	500
Total	252,215	500	252,715
Net gains/(losses) on investments	13,065	-	13,065
NET INCOME/(EXPENDITURE)	(18,353)	(28)	(18,381)
Transfers between funds	11,796	(11,796)	-
Net movement in funds	(6,557)	(11,824)	(18,381)
RECONCILIATION OF FUNDS			
Total funds brought forward	1,008,933	75,545	1,084,478
TOTAL FUNDS CARRIED FORWARD	<u>1,002,376</u>	<u>63,721</u>	<u>1,066,097</u>

10. FIXED ASSET INVESTMENTS

	Listed investments £	Unlisted investments £	Cash and settlements pending £	Totals £
MARKET VALUE				
At 1 January 2016	542,370	4,005	28,990	575,365
Additions	128,885	-	59,488	188,373
Disposals	(1,492)	-	-	(1,492)
Revaluations	(5,163)	-	-	(5,163)
At 31 December 2016	<u>664,600</u>	<u>4,005</u>	<u>88,478</u>	<u>757,083</u>
NET BOOK VALUE				
At 31 December 2016	<u>664,600</u>	<u>4,005</u>	<u>88,478</u>	<u>757,083</u>
At 31 December 2015	<u>542,370</u>	<u>4,005</u>	<u>28,990</u>	<u>575,365</u>

There were no investment assets outside the UK.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2016

11. INVESTMENT PROPERTY

	£
MARKET VALUE	
At 1 January 2016	135,000
Disposals	<u>(135,000)</u>
At 31 December 2016	<u>-</u>
NET BOOK VALUE	
At 31 December 2016	<u>-</u>
At 31 December 2015	<u>135,000</u>

12. SOCIAL INVESTMENTS

	Programme related investments		Totals £
	Loans £	Other investments £	
MARKET VALUE			
At 1 January 2016	88,989	203,275	292,264
New loan and interest	2,293	-	2,293
Repayments of loans	(9,824)	-	(9,824)
Loans written off	<u>(69,030)</u>	<u>-</u>	<u>(69,030)</u>
At 31 December 2016	<u>12,428</u>	<u>203,275</u>	<u>215,703</u>
NET BOOK VALUE			
At 31 December 2016	<u>12,428</u>	<u>203,275</u>	<u>215,703</u>
At 31 December 2015	<u>88,989</u>	<u>203,275</u>	<u>292,264</u>

Other investments- property in Melling, Merseyside.

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.16 £	31.12.15 £
Other debtors	13,019	5,000
Prepayments and accrued income	<u>540</u>	<u>3,293</u>
	<u>13,559</u>	<u>8,293</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.16 £	31.12.15 £
Other creditors	801	95,412
Accruals and deferred income	<u>11,726</u>	<u>13,592</u>
	<u>12,527</u>	<u>109,004</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2016

15. MOVEMENT IN FUNDS

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

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

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

16. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 December 2016, except as disclosed in Note 7.

17. ULTIMATE CONTROLLING PARTY

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

18. BAPTIST MINISTERS PENSION FUND

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

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

Benefits for two employees (2015: 2) in respect of service prior to 1st January 2012 are provided through the Defined Benefit (DB) Plan within the BPS. The main benefits; a defined benefit pension of 1/80th of Final Minimum Pensionable Income for each year of Pensionable Service, together with additional pension in respect of premiums paid on pensionable income in excess of minimum pensionable income. The BPS closed to future accrual of defined benefits on 31st December 2011.

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

Date of valuation	31 December 2013
Date of next valuation	31 December 2016
Market value of scheme assets (A)	£162m
Technical provisions (B)	£248m
Deficit (A-B)	£84m
Funding level (A/B)	66%

As a result of the valuation the standard rate of deficiency contributions payable by churches and other employers involved in the DB Plan was increased from 11% of pensionable Income to 12% from 1st January 2016. The recovery plan envisages deficiency contributions continuing until 30 June 2025.

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

Designated fund

Following the year end date the BPS has calculated an estimated employer debt of the Association of £182,000 assuming cessation on 31 March 2017. A designated fund has been established to cover this estimated debt. The assumptions on which this calculation is based are not directly comparable with the above.