

**EASTERN BAPTIST ASSOCIATION LTD**

**STATEMENT OF FINANCIAL ACTIVITIES**  
**For the Year Ended 31st December 2006**

	Note	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Endowment Funds £	Total Funds £	Total 2005 £
<i><u>Incoming Resources</u></i>							
Voluntary Income	2	158,205.59	54,338.43	0.00	0.00	212,544.02	155,634.04
Investment Income	3	9,297.77	6,906.23	998.86	0.00	17,202.86	21,555.55
Income from Charitable Activities	4						
Other Incoming Resources	5	0.00	0.00	0.00	0.00	0.00	0.00
<b>TOTAL INCOMING RESOURCES</b>		<b>167,503.36</b>	<b>61,244.66</b>	<b>998.86</b>	<b>0.00</b>	<b>229,746.88</b>	<b>177,189.59</b>
<i><u>Resources Expended</u></i>							
Costs of Generating Funds	6						
Charitable Activities	7	149,453.30	32,344.85	933.64	0.00	182,731.78	132,906.28
Governance Costs	8	5,656.84	0.00	0.00	0.00	5,656.84	1,659.60
Other Resources Expended	9	3,569.74	1,200.00	0.00	0.00	4,769.74	8,454.57
Total Resources Expended	10	158,679.88	33,544.85	933.64	0.00	193,158.36	143,020.45
		158,679.88	33,544.85	933.64	0.00	193,158.36	143,020.45
<b>Net Incoming Resources before Transfers</b>		<b>8,823.48</b>	<b>27,699.81</b>	<b>65.22</b>		<b>36,588.52</b>	<b>34,169.14</b>
Transfers between Funds	13	-1,800.00	1,800.00	0.00	0.00	0.00	0.00
		7,023.48	29,499.81	65.22	0.00	36,588.52	34,169.14
Funds Brought Forward at 1st January		366,962.46	446,614.44	480.28	84,810.46	898,867.64	864,698.50
Funds Carried Forward at 31st December		<b>373,985.94</b>	<b>476,114.25</b>	<b>545.50</b>	<b>84,810.46</b>	<b>935,456.16</b>	<b>898,867.64</b>

# EASTERN BAPTIST ASSOCIATION LTD

## BALANCE SHEET as at 31st DECEMBER 2006

		2006		2005	
	Note	£	£	£	£
<b>FIXED ASSETS</b>					
Tangible Fixed Assets	17		286,350.00		288,685.00
Investments	18		286,350.00		288,685.00
<b>CURRENT ASSETS</b>					
Stocks	19	0.00		0.00	
Debtors	20	273,081.19		227,970.42	
Investments	21	88,014.46		88,014.46	
Bank and Cash	22	296,080.51		301,939.07	
			657,176.16	617,923.95	
<b>CURRENT LIABILITIES</b>					
Creditors: amounts falling due within one year			8,070.00		7,741.31
Creditors: amounts falling due after one year					
<b>NET ASSETS</b>			<b>935,456.16</b>	<b>898,867.64</b>	
 <b>CHARITABLE FUNDS</b>					
Endowment Funds	25		84,810.46		84,810.46
Restricted Funds	26		545.50		480.28
Designated Funds	27		476,114.25		446,614.44
Unrestricted			373,985.94		366,962.46
			935,456.16	898,867.64	

- \* For the year ended 31st December 2006 the company was entitled to exemptions under section 249A(1) of the Companies Act 1985.
- \* No notice from members requiring an audit has been deposited under section 249B(2) of the Companies Act 1985
- \* The Directors acknowledge their responsibility for :
  - 1) Ensuring that the company keeps accounting records which comply with section 221:
  - 2) Preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year, and of its profit or loss for the financial year, in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Companies Act relating to the accounts, so far as applicable to the company.

Approved on behalf of the Association

(R Lewis)	Moderator
(B R Montague)	Treasurer

# EASTERN BAPTIST ASSOCIATION LTD

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS For the Year Ended 31st December 2006

### 1 **Accounting Policies**

#### a. **Basis of Accounting**

The financial statements have been prepared under the historical cost convention, and in accordance with the Companies Act 1985 and the Statement of Recommended Practice 2005.

#### b. **Fund Accounting**

*Unrestricted Funds* are available for use at the discretion of the Council of the Association in furtherance of the objectives of the Association.

*Designated Funds* are funds set aside by the Association in order to undertake specific projects, or equalise anticipated major expenditure on maintenance of fixed assets in future years

*Restricted Funds* are monies subject to regulation by Order of the Charity Commissioners as to their use.

*Endowment Funds* are monies which are not available for use by the Association without reference and approval of the Charity Commissioners, although the interest thereon is available for unrestricted use.

#### c. **Incoming Resources**

All incoming resources are included in the statement of financial activities when the Association is entitled to them.

#### d. **Resources Expended**

Expenditure is included on an accrual basis at the time a liability is incurred. VAT is reported as part of the expenditure to which it relates

#### e. **Fixed Assets**

Fixed Assets are stated at cost, less accumulated depreciation. The costs of minor assets, including all assets costing less than £100 are written off in the year of purchase.

#### f. **Depreciation**

Depreciation is charged at 20% of the original cost per year, the first charge being made in the year of purchase irrespective of the actual date of purchase. This heading includes the full costs of low value assets written off at time of purchase. (See 'e' above)

### 2 **Donations and Grants**

	Unrestricted	Designated	Restricted	Endowment	Total	Total 2005
Baptist Union Grants	145,430.16	0.00	0.00	0.00	145,430.16	134,333.00
Preaching fees and expenses	10,739.12	0.00	0.00	0.00	10,739.12	10,916.34
Miscellaneous Offerings	2,036.31	54,338.43	0.00	0.00	56,374.74	10,384.70
	<u>158,205.59</u>	<u>54,338.43</u>	<u>0.00</u>	<u>0.00</u>	<u>212,544.02</u>	<u>155,634.04</u>

### 3 **Source of Investment Income**

	Unrestricted	Designated	Restricted	Endowment	Total	Total 2005
Bank Interest	825.89	3,158.81	0.00	0.00	3,984.70	4,678.82
Fixed Term Investment interest	4,945.29	3,306.05	0.00	0.00	8,251.34	11,867.31
BU Corporation	2,925.84	441.37	998.86	0.00	4,366.07	4,408.67
Baptist Insurance Co	600.75	0.00	0.00	0.00	600.75	600.75
	<u>9,297.77</u>	<u>6,906.23</u>	<u>998.86</u>	<u>0.00</u>	<u>17,202.86</u>	<u>21,555.55</u>

### 4 **Incomng Resources from Charitable Activities**

The Charity has no significant activities designed to generate financial resources

**5 Other Incoming Resources**

There were no incoming resources in addition to those accounted for under Notes 2 and 3 above.

**6 Costs of Generating Funds**

The charity has no expenses directly attributable to the generation of Funds.

**7 Costs of activities in furtherance of the Charities objectives**

	Unrestricted	Designated	Restricted	Endowment	Total	Total 2005
Ministry - Employment costs	86,761.47	15,231.69	933.64	0.00	102,926.80	71,098.94
Ministry - Expenses	26,696.54	9,713.01	0.00	0.00	36,409.55	23,714.41
Manse Expenses	8,095.84	3,846.43	0.00	0.00	11,942.26	7,503.46
Mission	10,411.76	3,553.72	0.00	0.00	13,965.48	12,805.21
Establishment	17,487.69	0.00	0.00	0.00	17,487.69	17,784.26
	<u>149,453.30</u>	<u>32,344.85</u>	<u>933.64</u>	<u>0.00</u>	<u>182,731.78</u>	<u>132,906.28</u>

**8 Governance Costs**

	Unrestricted	Designated	Restricted	Endowment	Total	Total 2005
Company Secretary	4,320.00	0.00	0.00	0.00	4,320.00	1,080.00
Independent Examination Fees	496.00	0.00	0.00	0.00	496.00	0.00
Legal and statutory payments	840.84	0.00	0.00	0.00	840.84	579.60
	<u>5,656.84</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>5,656.84</u>	<u>1,659.60</u>

**9 Other Resources Expended**

	Unrestricted	Designated	Restricted	Endowment	Total	Total 2005
Other Resources Expended	3,569.74	1,200.00	0.00	0.00	4,769.74	8,454.57
	<u>3,569.74</u>	<u>1,200.00</u>	<u>0.00</u>	<u>0.00</u>	<u>4,769.74</u>	<u>8,454.57</u>

**10 Total Resources Expended**

	Charitable Activities	Grant Funding	Support Costs	Total 2006	Total 2005
Ministry	151,278.61			151,278.61	102,316.81
Mission	3,987.50	9,977.98		13,965.48	12,805.21
Establishment			17,487.69	17,487.69	17,784.26
Governance Costs			5,656.84	5,656.84	1,659.60
Other			4,769.74	4,769.74	8,454.57
	<u>155,266.11</u>	<u>9,977.98</u>	<u>27,914.27</u>	<u>193,158.36</u>	<u>143,020.45</u>

**11 Grants Payable**

	Unrestricted	Designated	Restricted	Endowment	Total	Total 2005
National & local Initiatives	7,104.26	2,873.72			9,977.98	11,495.21
	<u>7,104.26</u>	<u>2,873.72</u>	<u>0.00</u>	<u>0.00</u>	<u>9,977.98</u>	<u>11,495.21</u>

**12 Support Costs**

	Unrestricted	Designated	Restricted	Endowment	Total	Total 2005
Administrative Staff	2,844.00				2,844.00	2,760.00
Other Administrative Costs	14,643.69				14,643.69	15,024.26
	<u>17,487.69</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>17,487.69</u>	<u>17,784.26</u>

**13 Gross Transfers between Funds**

	Unrestricted	Designated	Restricted	Endowment	Total	Total 2005
Manse Repair Fund	-1,800.00	1,800.00			0.00	0.00
	<u>-1,800.00</u>	<u>1,800.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>

**14 Gains and losses on revaluation of fixed Assets for the Association's use**

There has been no revaluation of fixed assets during the year (2005 - nil)

**15 Gains and losses on revaluations and disposals of investment assets**

There are no assets held for investment purposes. (2005 - nil)

**16 Staff Costs and Trustee expenses**

	2006	2005
Salaries	88,596.82	59,165.00
Social Security Costs	6,914.63	4,653.09
Pension Costs	9,779.60	7,099.20
Other Costs	11,942.26	7,503.46
Total	<u>117,233.31</u>	<u>78,420.75</u>
Number of full-time employees at 31st December	3	3
Number of vacant full-time posts at 31st December	1	0
Number of part-time employees at 31st December	5	5
Number of vacant part-time posts at 31st December	0	0
Number of part-time posts at 31st December temporarily unpaid	1	0

- a.** No employee received emoluments in excess of £60,000 during the year (2005 - nil)
- b.** Two Trustees, who are also employees lived in a property wholly owned by the Association (2005 - Two)
- c.** No sums were reimbursed to the Trustees for their work as Trustees (2005 - (nil))
- d.** The Association pays pension contributions for the three Regional Minister employees (2005 - three) to the Baptist Ministers Pension Trust Limited, which is a final salary defined benefit scheme, not contracted out of the State second pension. The scheme is a multi-employer scheme and it is not possible to identify the assets and liabilities of the scheme which are attributable to the Association. The Association also pays pension contributions for one other employee (2005 - one) to the Baptist Staff Pension Scheme, which is a final salary defined benefit scheme, not contracted out of the State second pension. The scheme is a multi-employer scheme and it is not possible to identify the assets and liabilities of the scheme which are attributable to the Association. In accordance with FRS17 therefore, the schemes are accounted for as defined contribution schemes.

## 17 Tangible Fixed Assets

	Manses	Furniture & Fittings	Computers & Equ't	Total
<b>Cost</b>				
Bt Forward at 1st January	283,128.00	0.00	10,826.71	293,954.71
Additions during year	0.00	0.00	225.23	225.23
Disposals	0.00	0.00	-973.02	-973.02
<b>Total Cost at 31st December</b>	<b>283,128.00</b>	<b>0.00</b>	<b>10,078.92</b>	<b>293,206.92</b>
<b>Depreciation</b>				
Bt Forward at 1st January	0.00	0.00	5,269.71	5,269.71
Charge for the year	0.00	0.00	2,410.23	2,410.23
On Disposals	0.00	0.00	-823.02	-823.02
<b>Total Cost at 31st December</b>	<b>0.00</b>	<b>0.00</b>	<b>6,856.92</b>	<b>6,856.92</b>
<b>Net Book Value</b>				
At 31st Decemeber 2006	283,128.00	0.00	3,222.00	286,350.00
At 31st Decemeber 2005	283,128.00	0.00	5,557.00	288,685.00
All of the fixed assets are used for direct charitable purposes				

## 18 Investments

The Association does not hold any non-cash investments

## 19 Stocks

The Association does not hold any significant stocks

## 20 Debtors

	2006	2005
Loans Fund advances o/s	271,036.50	226,156.96
Council Tax	701.39	426.46
Prepayments	1,343.30	1,387.00
	<b>273,081.19</b>	<b>227,970.42</b>

## 21 Investments

	2006	2005
B I S Shares		
Loan Fund	801.00	801.00
General Fund	2,403.00	2,403.00
Southminster B C Trust	84,810.46	84,810.46
	<b>88,014.46</b>	<b>88,014.46</b>

## 22 Bank & Cash Balances

	2006	2005
Imprest Accounts	300.00	0.00
Lloyds TSB Bank	1,725.40	2,012.34
CAF Bank - Cheque account	2,973.80	750.70
CAF Cash - Benevolent Fund	50.11	0.00
CAF Gold Deposit (Loan Fund)	94,603.92	44,392.43
CAF Gold Deposit	32,460.69	11,498.38
Birmingham Midshires	150,000.00	230,000.00
BU Corporation Deposit (Loan Fund)	13,125.83	12,684.46
Royal Bank of Scotland	840.76	600.76
	<b>296,080.51</b>	<b>301,939.07</b>

**23 Creditors: Amounts falling due within one year**

	2006	2005
Loans and overdrafts	0.00	0.00
Other creditors	2,150.00	2,876.31
Receipts in Advance	5,920.00	4,865.00
	<u>8,070.00</u>	<u>7,741.31</u>

**24 Creditors: Amounts falling due after one year**

There are no items falling due under this heading

**25 Endowment Funds**

	1.1.2006	Incoming Resources	Resources Expended	Gains and Losses	Transfers	31.12.2006
Southminster Baptist Church Trust	84,810.46	0.00	0.00	0.00	0.00	84,810.46
	<u>84,810.46</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>84,810.46</u>

**26 Restricted Funds**

	1.1.2006	Incoming Resources	Resources Expended	Gains and Losses	Transfers	31.12.2006
Orton Farm (Upwell) Trust	480.28	998.86	933.64	0.00	0.00	545.50
	<u>480.28</u>	<u>998.86</u>	<u>933.64</u>	<u>0.00</u>	<u>0.00</u>	<u>545.50</u>

**27 Designated Funds**

	1.1.2006	Incoming Resources	Resources Expended	Gains and Losses	Transfers	31.12.2006
Loans Fund	437,034.85	14,406.12	2,873.72	0.00		448,567.25
Ministers Benevolent Fund	3,160.71	8,799.12	4,799.75	0.00		7,160.08
Identified Donations	1,200.00	0.00	1,200.00	0.00		0.00
Church of the Year	300.00	580.00	680.00	0.00		200.00
Manse Maintenance	4,918.88		405.60	0.00	1,800.00	6,313.28
New Mission Initiative	0.00	10,000.00		0.00		10,000.00
Portuguese Project (AMIGOS)	0.00	25,390.20	21,602.66	0.00		3,787.54
Youth Worker	0.00	2,069.22	1,983.12	0.00		86.10
	<u>446,614.44</u>	<u>61,244.66</u>	<u>33,544.85</u>	<u>0.00</u>	<u>1,800.00</u>	<u>476,114.25</u>

The Assets of all designated funds are held in bank or building society accounts

**28 Analysis of Net Assets**

	Fixed Asset	Investment	Current Asset	Total
Endowment Funds <i>per Note 25</i>		84,810.46		84,810.46
Restricted Funds <i>per Note 26</i>			545.50	545.50
Designated Funds <i>per Note 27</i>			476,114.25	476,114.25
Unrestricted Funds	286,350.00	3,204.00	84,431.95	373,985.95
TOTALS	<u>286,350.00</u>	<u>88,014.46</u>	<u>561,091.70</u>	<u>935,456.16</u>

## 29 Pensions

The Association is an employer of two pension schemes known as the Baptist Union Staff Pension Scheme ("the Staff Scheme") and the Baptist Ministers' Pension Scheme ("the Ministers' Scheme"). Employees are eligible to join the appropriate Scheme, which are both multi-employer defined benefit schemes, which are funded and not contracted out of the state scheme.

The main benefit provided by the Staff Scheme is a pension of one seventieth of the average salary over the last three years of employment, for each year of service. Employees pay 6% of their salary, and the employer pays the balance of the necessary contribution, currently 15%. The scheme started in 1969. A formal valuation was performed at 1st January 2005 by a professionally qualified Actuary using the Projected Unit Method. The market value of the Scheme's assets at the valuation date was £4,053,992.

The main benefit provided by the Ministers' Scheme is a pension of one eightieth of final Minimum Pensionable Income together with additional pension in respect of premiums paid on Pensionable Income in excess of Minimum Pensionable Income. Ministers pay 6% of their Pensionable Income and the employer pays 12%. A formal valuation was performed at 31st December 2004 by a professionally qualified Actuary using the Projected Unit Method. The market value of the Scheme's assets at the valuation date was £83,320,000.

As there are a number of contributing employers to both schemes, the Association is unable to identify its share of the underlying assets and liabilities of the schemes. Due to the nature of the schemes, the profit and loss charge for the period represents the employer contribution payable. The total pension cost for the Association is £9,779 (2005 - £7,099).

The financial assumptions underlying the valuations were as follows:-

	Staff	Ministers
Discount rate pre retirement	6.50%	7.00%
Discount rate post retirement	5.00%	5.00%
Rate of price inflation	2.90%	2.90%
Rate of revaluation on deferred pensions	2.90%	2.90%
Rate of pension increases	2.70%	2.70%

The valuation of the staff scheme revealed a surplus of assets compared with the value of liabilities of £116,000 (equivalent to a past service funding level of 103%). The employer's ongoing future service contribution rate was assessed at 15% of pensionable salaries.

The valuation of the Ministers' scheme revealed a deficit of assets compared with the value of liabilities of £9,141,000 (equivalent to a past service funding level of 90%). The employer's ongoing service contribution rate, to include eliminating the deficit, was assessed at 12% of pensionable salaries.

The next actuarial valuation of the ministers' Scheme will be as at 31st December 2007, and the next valuation of the Staff Scheme will be as at 1st January 2008.

## 30 Related Charities

The custodian Trustee of the freehold property is the Baptist Union Corporation Limited which is a charity number 249635, and which is controlled by the Baptist Union Council. The Association is also a member of the Baptist Union of Great Britain.

The Association received Grants from the Baptist Union Home Mission Scheme as set out in Note 2

**Note continued on next page**

### 30 Related Charities (Cont'd)

The Association has made loans to the following members of the Association as detailed below

Church	Balance Outstanding 1/01/2006 £	Loans Made 2006 £	Repay's 2006 £	Balance Outstanding 31/12/2006 £
Attleborough	0	20,000	2,200	17,800
Barnwell	600		600	0
Burlington	0			0
Burwell	0	30,000	1,500	28,500
Cambridge, Zion	6,000		1,500	4,500
Chelmsford, North Springfield	5,000		5,000	0
Clacton	0	20,000	626	19,374
Dagenham (Becontree Ave.)	21,632	3,179	2,502	22,309
Dagenham, Chaplin Road (1)	6,500		6,500	0
Dagenham, Chaplin Road (2)	13,000		13,000	0
Elm Park	0	5,000	0	5,000
Grays	0	17,500	7,000	10,500
Haddenham	10,000		1,000	9,000
Hawkwell	12,000		2,000	10,000
Hornchurch, North Street	9,800		4,080	5,720
Kings Lynn	3,500		1,000	2,500
March Centenary (1)	3,250		1,000	2,250
March Centenary (2)	1,125		250	875
March Centenary (3)	0	25,000	1,060	23,940
Mildenhall	30,000		3,000	27,000
Norwich, Silver Road	5,000		500	4,500
Rushmere	30,000		3,000	27,000
Saffron Waldon	17,000		2,000	15,000
Southend, Belle View	13,000		13,000	0
Southend, Earls Hall	29,250		3,000	26,250
West Mersea	7,000		7,000	0
Worsted	2,500	7,500	982	9,018
	<u>226,157</u>	<u>128,179</u>	<u>83,300</u>	<u>271,036</u>