

# **Annual Report and Consolidated Financial Statements Baptist Union of Great Britain**

For the year ended 31 December 2009



**INTRODUCTION**

The Trustee Board of the Baptist Union of Great Britain presents its Annual Report and Consolidated Accounts for the year ending 31 December 2009.

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

The Trustees Report is structured as follows:

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

**SECTION 1 – WHO WE ARE**

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

**TRUSTEES**

The Revd Ruth Bottoms (Moderator)  
The Revd Kwame Adzam  
Mr Malcolm Broad, MBE (Treasurer)  
The Revd Jonathan Edwards (General Secretary)  
The Revd Dr Stephen Finamore (reappointed from 1 September 2009)  
Dr Colin Hicks, CB (appointed from 17 March 2009)  
The Revd Gordon Hindmarch  
The Revd Jane Kingsnorth (resigned 27 January 2009)  
The Revd Dr Clare McBeath (appointed from 1 January 2009)  
Mr David Roberts  
Mrs Jenny Royal (reappointed from 1 September 2009)  
The Revd Barrie Smith  
Ms Pat White

**SENIOR MANAGEMENT TEAM**

The Revd Jonathan Edwards	-	General Secretary
Mr Richard Nicholls	-	General Manager
Mrs Amanda Allchorn	-	Head of Communications Department
The Revd Ian Bunce	-	Head of Mission Department
The Revd Paul Goodliff	-	Head of Ministry Department
Mr Philip Putman	-	Head of Finance and Administration Department
The Revd Graham Sparkes	-	Head of Faith and Unity Department

**BANKERS**

HSBC Bank plc  
186 Broadway  
Didcot  
Oxfordshire  
OX11 8RP

**AUDITORS**

Wilkins Kennedy  
Bridge House  
London Bridge  
London  
SE1 9QR

**SOLICITORS**

Anthony Collins Solicitors LLP  
134 Edmund Street  
Birmingham  
B3 2ES

**SURVEYORS**

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

**INVESTMENT MANAGERS**

Royal London Asset Management Limited  
55 Gracechurch Street  
London  
EC3V 0UF

Sarasin & Partners LLP (from 17 August 2009)  
Juxon House  
100 St Paul's Churchyard  
London  
EC4M 8BU

Martin Currie Investment Management Limited (to 17 August 2009)  
Saltire Court  
20 Castle Terrace  
Edinburgh  
EH1 2ES

## SECTION 2 – HOW WE DO THINGS

### 1 The Union

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

As a membership organisation, the Union holds an annual Assembly and has a Council made up of representatives of Associations of churches, representatives of the Colleges, office holders and persons co-opted for particular skills. The Union acts by the Assembly through a Council and is administered and managed by a Trustee Board as Charity Trustees. This is detailed in the governing document, the Constitution agreed by Assembly and last revised in May 2009. A copy of the Constitution is printed annually in the Baptist Union Directory.

### 2 The Trustees

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

The Trustees are usually familiar with many aspects of the Union's work prior to appointment, but receive an induction into the work of the Union by meeting Senior Staff and being advised of the general nature of their work, as well as receiving financial statements and other relevant documentation. Training is provided to all Trustees in appropriate ways. Trustees are provided with a copy of the Charity Commission publication CC3, *The Essential Trustee*, and receive regular copies of the publication *Governance* and formal training to cover particular needs is planned for 2010.

The Trustees oversee the legal, financial, charitable and strategic life of the Union advised by consultation with Council. To help the Board with governance of the charity, the following Committees exist with specific Terms of Reference and functions; Finance Committee, Investments Committee, Staffing Committee and the Grants Committee. Council decides the general policy of the Union, subject to any directions of the Assembly. Council appoints three Executive Committees to support this process, who in turn operate with a system of Sub-Committees or Working Groups, as most appropriate.

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

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

### 3 Trustees' Responsibilities

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 1993. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud or other irregularities.

The trustees are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Charity 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 charity and of its financial activities for that period. In preparing those financial statements the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the policies adopted are in accordance with the Charities SORP, the Regulations made under s44 of the Charities Act 1993 and with applicable accounting standards;
- prepare the accounts on the going concern basis unless it is inappropriate to assume 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 charity and to enable them to ensure that the financial statements comply with the Charities Act 1993. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud or other irregularities.

## **Statement as to disclosure of information to auditors**

So far as the trustees are aware, there is no relevant audit information of which the charity's auditors are unaware, and each trustee has taken all the steps that he or she ought to have taken as a trustee in order to make himself or herself aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

## **4 Related Organisations and Companies**

The national resource of the Union works very closely with thirteen Associations, which are independent Baptist charities with specific responsibility for Baptist churches in particular geographical areas. Most Baptist churches are members of both the Union and their local Association, and it is donations from these churches that effectively fund the Union and the Associations. Close working relationships also exist with seven Colleges involved in the training and formation of ministers and members within the Union and these are also governed independently.

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

- 1 The Baptist Times Limited: The Baptist Union of Great Britain holds 100% of the issued share capital and appoints a majority of the directors of the Baptist Times Limited, which publishes the weekly Baptist Times newspaper.
- 2 The Retired Baptist Ministers' Housing Society: This is a Society registered under the Industrial and Provident Societies Act 1965 and the Friendly and Industrial and Provident Societies Act 1968 which is an exempt charity. The Baptist Union of Great Britain appoints the directors of this Society, which provides housing for retired Baptist Ministers and their spouses.
- 3 The Baptist Holiday Fellowship Limited: The Baptist Union of Great Britain holds 96% of the issued share capital and appoints the directors of this charitable company which makes grants available for holidays for Baptists.
- 4 Baptist Leading Edge Limited: This is a charitable company limited by guarantee with the Baptist Union of Great Britain as its member. The Union appoints a majority of the directors. The company operates a holiday Bible week.
- 5 The Joint Venture: The Baptist Union of Great Britain appoints half of the Committee of the Joint Venture, which is a partnership with BMS World Mission which operates Baptist House Didcot for the Union and BMS World Mission.
- 6 Baptist House Limited: The Baptist Union of Great Britain is one of two members of this company Limited by Guarantee, which provides conference facilities and office letting facilities for local businesses.
- 7 The Baptist Assembly Limited: This is a charitable company limited by guarantee. The Baptist Union of Great Britain is one of two members and appoints half the directors of this company that manages the holding of an Annual Assembly jointly between the Union and BMS World Mission. This company only commenced trading on 1 September 2009, and no figures are yet included in the consolidated financial statements.

## **5 Risk Management**

All significant activities undertaken are subject to a risk review. Major risks are identified and ranked in terms of their potential impact and likelihood. Major risks for this purpose are: the inability of the Union to meet Pension liabilities, the loss of denominational identity, legal advice conflicting with Union practice, and a severe economic downturn. The Trustees review these risks on an on-going basis and satisfy themselves that adequate systems and procedures are in place to manage the risk identified.

## **SECTION 3 – WHAT WE SET OUT TO DO**

### **1 Objects**

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

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

Our Baptist principles mean that within the covenant relationship of the Union we value the freedom of 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 Charity's overriding function is to provide encouragement, advice and support to member churches so that they too may maximise their ability to achieve their own charitable objective of making Jesus Christ known to particular individuals and to society in general.

### **2 Public Benefit**

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

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

Through 2009 the Union continued to support its member churches and its 13 Regional Associations in a wide range of activities including:

- communication, including the provision of religious material via the Union's website: [www.baptist.org.uk](http://www.baptist.org.uk);
- promoting the study of religious teachings and practices and scriptures
- support of religious office holders for acting as such, e.g. Regional Ministers
- promoting prayer, praise and study
- support for ecumenical and inter-faith charities
- pastoral support to ministers
- contributing to the spiritual and moral education of children
- grants made to churches and special ministries who cannot afford full-time ministry themselves

Throughout this report further detail and information is to be found about specific initiatives in 2009 and how they relate to the overall Strategy of the Union.

### **3 Strategy**

Much of the work of the Union continues unchanged from year to year as, for example, procedures for the calling, training and support of Ministers of Religion and for the giving of grants to such churches as are in need, which are needed all the time. However, during 2008, following wide consultation, the Union Trustees adopted a Strategy which sets out the particular ways in which the work of the Union is to be focused in the next few years. The overall Strategy is encapsulated in the phrase 'Encouraging Missionary Disciples', and emerges from trying to fulfil our objects by setting clear aims as to the changes or differences we seek to make through our activities.

The principles of the Strategy are:

- to encourage people of all ages to follow Jesus and to pray and to work for the coming of the Kingdom in every part of society
- to equip people to understand the Bible and Christian Faith and to engage with it in their personal lives, their churches and within society
- to enable people to share the love of Jesus in word and action in a way that engages prophetically with our society.

### **3 Strategy (continued)**

In the light of these principles strategic goals were identified in 2008 for a five year period and these are summarised below:

- to produce resources which encourage life-long discipleship, enrich worship and enhance corporate prayer
- to refocus the Union on the challenges of evangelism and to develop resources and tools which encourage and enable effective mission
- to develop and implement diversity strategies which ensure that everyone has a respected and valued place within the life of the Union, irrespective of age, disability, gender or race
- to develop and provide resources to churches which encourage a deeper understanding of other religions within our society
- to develop clear theological principles to support environmental concern and advice, and resource churches in responding practically
- develop resources on what it means to be a Baptist church
- to undertake a detailed mapping exercise identifying places of Baptist presence and gaps
- to envision children and young people in their discipleship
- to review processes for the protection of children and vulnerable adults
- to develop a comprehensive framework for understanding and promoting the practice of ministry
- to develop the communication and promotion of the Union's work, which is known as the Home Mission Fund
- to develop and strengthen communication channels between the main offices of the Union at Didcot, which is known as the National Resource, the Associations and local churches.

These were reviewed by the Trustee Board at the end of 2009 and continue to represent the strategic direction for the Union.

### **4 Grants**

Each Baptist church is independent and autonomous, and therefore self financing. However, through a large part of the Home Mission Fund, grants are made available to local churches and Associations to enable them to have appropriately paid and trained Ministry. These grants are assessed annually, and emphasis is placed not just on each church's finances but also its plans and achievement in making Jesus known in its locality. Details are given in note 21 to the consolidated financial statements. Grants are made against a budget approved by the Trustees and received by the Council and managed by the Finance and Administration Department.

### **5 Subsidiary Companies**

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

### **6 Volunteers**

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

## **SECTION 4 – WHAT WE HAVE DONE SO FAR**

As we seek to meet our objects of the advancement of Christian religion, we engage with the community through our 2,076 churches, which have approximately 137,000 members and regular congregations of approximately 1/3 million people. Over 40 new grants to churches were approved in 2009 and approximately 44 ministers completed training in our colleges.

Particular progress with the strategic goals summarised in Section 3 of this report that were achieved in 2009 are summarised below:

- all existing mission files have been updated and a range of new ones introduced
- considerable progress has been made on an audit of practice and procedures of the Union aimed at delivering a way of being that reflects our multicultural objectives; this is entitled 'The Journey'
- extensive work has been done on the role of women in the leadership of the Union and a strategy has been developed
- a strategy on inter-faith engagement has been affirmed by Council and task groups set up to develop mission resources
- 'Futureshape' and 'Hope in God's Future' materials to support environmental concerns have been developed and distributed
- Baptist identity has been a key issue for the year with a paper on theological authority completed and discussed at Council, a revision of 'Baptist Basics' completed and published and a draft of 'What makes a Baptist Church' approved
- 'Real Life' worship resources were completed and produced in printed and electronic forms and other resources specific to times of the year were made available
- a dynamic electronic map showing the location of Baptist churches had been made available on the website
- new arrangements have been agreed to implement the Independent Safeguarding Authority policy changes
- a Home Mission Promotion Network has been created
- an internal communication audit has been completed.

In addition during 2009 the Pension Review Group was set up to review both the Baptist Ministers' Pension Fund and the Baptist Staff Pension Scheme with the aim of ensuring that pension provision within the Union is appropriate, affordable and sustainable in the longer term. The Group expects to report to Council in 2010 with what changes may be necessary in subsequent years.

The Baptist Union of Great Britain plays its full part in the wider church, offering the distinctive insights that reflect our Baptist way of being church and continuing the strengthening of Baptist witness throughout the world, and this is reflected in the spend on ecumenical matters. The call of the gospel is to work for freedom, peace and justice, and we believe that this is part of what it means to be a missionary people today. So, working collaboratively with ecumenical partners and agencies, we enable Baptists to be active, involved in creating a movement for change in our world.

Most of the Union's income is raised from its member churches on a voluntary basis. However, the Union has set a goal in this respect and that is that every church gives at least 5% of its General Income to the Home Mission Appeal. This compares to the current level of giving of around 3%. In 2009, the Union Trustees set an Appeal figure of £4,250,000, to which they asked member churches to contribute. The actual amount raised, and included within voluntary income, was £3,883,873 which was over 91% of target, and which the Trustees considered was a good response in the national financial climate in the latter months of the year.

The thirteen Regional Associations account for £1.74m of Union expenditure. Each Regional Association has a small team of Regional Ministers and Administrative staff, who support the local church pastorally, advise on mission and practical matters, and organise training events. At the request of Council, the Trustees established a group to review the formula for the Funding of Associations, as laid down in the Union Bye-Laws.

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

Operating churches effectively and properly, and in accordance with legislation, is increasingly demanding, and providing the support they need in the most helpful way and through the best media is an ongoing challenge. We aspire to developing Christ-centred, core-value focused and creative communications that will enable the mission and the purposes of the Union to be communicated effectively, internally and externally. Our website received around 875,000 hits in the last year and as we seek to develop this we aim to make the website an even more relevant medium.

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

A range of training is provided for students, Ministers and staff and this is reflected in the training spend, the biggest element of which is Student Bursaries.

Baptist Times Limited had a difficult year which resulted in a significant loss. The directors have undertaken a full review of the business with a view to cutting costs and returning the paper to profitability, and the Trustees of the Baptist Union have confirmed limited financial support to enable this to happen during 2010.

The Retired Baptist Ministers' Housing Society has again had sufficient resources to house all 10 qualifying applicants for assistance in 2009. The number of applicants to the Society shows little sign of decreasing, and the Society is looking to secure the necessary capital funding required by means of loan finance.

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

Baptist Leading Edge Limited successfully ran the Leading Edge Holiday Bible Week in August 2009. Attendance was lower than in previous years, and the Union Trustees have asked the directors to review the future of the event in the light of the numbers attending.

The Joint Venture of the Baptist Union of Great Britain and BMS World Mission continued to run the facilities at Baptist House used by the two organisations. During the year, a new telephone system was installed, and an ongoing programme of maintenance continued.

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

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

## **SECTION 5 – ABOUT OUR FINANCES**

The consolidated results of the Union for the year showed net incoming resources of £1,059,889 and benefited from an overall increase in the market value of investments of £891,049. However, the main charity had an operating deficit in its unrestricted fund known as the Home Mission Fund of £628,717 in the year. Increases in the market value of investments and surpluses on the sale of property resulted in an overall net surplus of £919,716 as reported in note 24. The Union is grateful to past generations of Baptists who have ensured through their generosity that, for a limited period, operating losses such as these can be absorbed from reserves. However, the Trustees are aware that such losses cannot continue indefinitely. They have agreed an action plan to guide them in making decisions concerning future Budgets in order to bring these back into balance, while ensuring the continuance of the most significant work, in fulfilment of the objects.

The Statement of Financial Activities shows that over 93% of the expenditure was directly on the furtherance of the Charity's objects, with comparatively small amounts expended on both fundraising and governance.

The Union has an ethical investment policy which means that it does not invest in stocks which are predominantly based in alcohol, tobacco, gambling, pornography or armaments. There are two firms of Investment Managers: Sarasin and Partners LLP, who are responsible for equity and property investments and tactical changes in Asset Allocation, and Royal London Asset Management, who manage a bond portfolio. Both Managers are satisfied that in the medium-term the funds are not significantly disadvantaged by the operation of the ethical policy.

The performance of all investments in 2009 showed some recovery from the disappointing falls in 2008. The aim is to out-perform the benchmark by 1% net of fees and failure to achieve this led the Trustees to decide to change one firm of Investment Managers in 2009. The Union held interviews with a number of firms of Investment Managers, and as a result, the Equities and Property portfolio was moved to Sarasin and Partners LLP from Martin Currie Investment Management Limited. The Bond portfolio remained with Royal London Asset Managers Limited. The equity and property portfolio managed by Sarasin & Partners increased by 6.87%, compared with the benchmark of 6.9%. The Bond portfolio increased by 14.1%, which compared to its benchmark of 10.8%. The Investment Managers report regularly to the Union's Investment Committee, which in turn reports to the Finance Committee and the Trustee Board.

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

Approximately £1.9m was expended in direct grants to churches. Most of these grants are made to churches for the support of mission focused pastoral ministry. Other grants are made to support Chaplains, Ecumenical Officers and a wide range of mission-based ministries. Mission Project Grants are also given to encourage and enable Baptist churches to respond to the mission needs of their community as part of their on-going work and ministry.

Around £350k was expended on providing mission support to churches. The Mission function undertakes and co-ordinates research and the development and sharing of best practice, develops and makes available a range of mission resources, encourages and enables new and risky mission, and seeks to inspire young Baptists.

The Ministry function accounts for about £485k of the expenditure and supports all forms of recognised ministry amongst Baptist Union churches through all its stages.

Communication with and providing advice and information to our churches is complex and of great importance, and this accounts for £1,270k of expenditure.

### **Policy on Reserves**

The Charity has a Reserves Policy which provides for reserves of £12,139,539 to fund all the expenditure for twelve months and grants expenditure to churches for a further nine months. This is because the pattern of income is such that there is a very significant amount received at the end of the financial year, making it impossible to be certain until after the financial year end of the success or otherwise of the Home Mission Appeal. In addition, most Baptist Ministers work under Terms of Appointment, which specify either six or nine months notice must be given before termination of post, and continuing grants for a further nine months should allow this to be done in as orderly a way as possible. The Trustees are aware that in view of the results for the last two years, the level of reserves at £9,820,705 is a little lower than the Policy suggests is appropriate, but the day to day operations are not in any difficulty. During 2010 the Trustees will review the level of reserves required to meet future commitments.

## **SECTION 6 – WHAT WE PLAN TO DO NEXT**

2009 was the first year that the Union operated with the Strategy under the overall banner of Encouraging Missionary Disciples. This has proved to be very valuable, providing focus and direction for the work of the Union. Trustees reviewed the overall emphasis of the Strategy at the end of the year and confirmed it still represented a good structure to continue with. However, because it is new, they also recognised that the format and documentation needed to be reviewed and this will be undertaken in 2010.

Specific initiatives planned for 2010 aimed at making progress on achieving the Strategy are as follows:

- complete the work of 'The Journey', report to Council and begin implementation of changes
- the strategy on Women in Leadership will be considered by Council and further work done on implementation of issues
- introduce revised prayer resources
- develop and implement 'Crossingplaces' for new mission projects and those in a new context
- deliver three one-day evangelism conferences
- develop new mission resources including Wellsprings and Lifesize
- a children and communion resource to be made available
- develop a Strategy for 'Encouraging Young Missionary Disciples'
- implement education programme for new Independent Safeguarding Authority arrangements and re-write 'Safe to Grow' policy
- complete guide to good practice for ministers
- Strategy for Home Mission promotion to be developed by the Network
- BUGB website to be updated.

Clearly the financial position in 2009 has been a challenging one. Trustees have in place an agreed strategy for responding to a significant deficit and this will be actively pursued. Discussions about the funding arrangements with Associations and about its governance and management processes are aimed at ensuring that together the Baptist family utilises its resources as effectively as possible to meet contemporary mission challenges.

The financial statements were approved by the Trustees on 14 May 2010 and signed on their behalf by

R A Bottoms  
Moderator of the Trustee Board

**BAPTIST UNION OF GREAT BRITAIN**

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**

**YEAR ENDED 31 DECEMBER 2009**

	Notes	Unrestricted £	Designated £	Restricted £	Endowment £	2009 £	2008 (restated) £
<b>Incoming resources</b>							
Incoming resources from generated funds							
Voluntary income	2	4,706,694	0	613,786	0	5,320,480	5,489,248
Investment income	3	350,933	279,778	21,148	33,731	685,590	1,087,429
Incoming resources from charitable activities	4	890,994	0	349,246	0	1,240,240	1,225,329
Other incoming resources	5	184,673	648,750	475,350	0	1,308,773	1,335,214
Less share of gross incoming resources from Joint Venture		(22,166)	0	0	0	(22,166)	(22,051)
<b>Total incoming resources</b>		<b>6,111,128</b>	<b>928,528</b>	<b>1,459,530</b>	<b>33,731</b>	<b>8,532,917</b>	<b>9,115,169</b>
<b>Resources expended</b>							
Costs of generating funds							
Costs of generating voluntary income	6	160,537	0	0	0	160,537	170,626
Investment Management costs	6	2,072	18,922	664	1,147	22,805	30,980
Charitable activities	7	6,215,681	441,227	342,147	350	6,999,405	6,639,709
Governance costs	8	283,081	886	6,314	0	290,281	203,338
<b>Total resources expended</b>	9	<b>6,661,371</b>	<b>461,035</b>	<b>349,125</b>	<b>1,497</b>	<b>7,473,028</b>	<b>7,044,653</b>
Net (resources expended)/incoming resources before transfers		(550,243)	467,493	1,110,405	32,234	1,059,889	2,070,516
Transfers between funds		139,508	(106,127)	0	(33,381)	0	0
Net incoming resources (resources expended) before other recognised gains and losses		(410,735)	361,366	1,110,405	(1,147)	1,059,889	2,070,516
Net interest in the results of the year from Joint Venture		20	0	0	0	20	570
Other recognised gains and losses							
Realised and unrealised gains and losses on investment assets	12	58,335	734,827	40,507	57,380	891,049	(3,487,980)
<b>Net movement in funds</b>		<b>(352,380)</b>	<b>1,096,193</b>	<b>1,150,912</b>	<b>56,233</b>	<b>1,950,958</b>	<b>(1,416,894)</b>
<b>Balances at 1 January 2009 as previously stated</b>		<b>10,381,844</b>	<b>16,653,571</b>	<b>19,267,196</b>	<b>695,068</b>	<b>46,997,679</b>	<b>48,050,423</b>
<b>Prior year adjustment</b>	25	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>355,150</b>
<b>Balances at 1 January 2009 as restated</b>		<b>10,381,844</b>	<b>16,653,571</b>	<b>19,267,196</b>	<b>695,068</b>	<b>46,997,679</b>	<b>48,414,573</b>
<b>Balances at 31 December 2009</b>		<b>£10,029,464</b>	<b>£17,749,764</b>	<b>£20,418,108</b>	<b>£751,301</b>	<b>£48,948,637</b>	<b>£46,997,679</b>

There were no recognised gains or losses other than those shown in the Statement of Financial Activities.  
 There were no acquisitions or discontinued operations during either of the above two financial years.  
 The notes on pages 16 to 28 form an integral part of these financial statements.

**BAPTIST UNION OF GREAT BRITAIN**

**CONSOLIDATED BALANCE SHEET AT 31 DECEMBER 2009**

	Notes	2009		2008 (restated)	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible fixed assets	11		27,392,292		26,322,127
Investments	12		<u>14,455,617</u>		<u>12,292,769</u>
			41,847,909		38,614,896
<b>CURRENT ASSETS</b>					
Stocks			20,111		18,093
Debtors	13		1,550,650		941,314
Loans	14		1,597,621		1,481,629
Cash and bank	15		<u>6,091,026</u>		<u>8,039,458</u>
			9,259,408		10,480,494
<b>CURRENT LIABILITIES</b>					
Creditors:					
Amounts failing due within one year	16		<u>2,158,680</u>		<u>2,097,711</u>
<b>NET CURRENT ASSETS</b>			7,100,728		8,382,783
<b>NET ASSETS</b>			<u><b>£48,948,637</b></u>		<u><b>£46,997,679</b></u>
<b>ENDOWMENT FUNDS</b>	17		751,301		695,068
<b>RESTRICTED FUNDS</b>	18		20,418,108		19,267,196
<b>DESIGNATED FUNDS</b>	19		17,749,764		16,653,571
<b>UNRESTRICTED FUNDS</b>	20		10,029,464		10,381,844
			<u><b>£48,948,637</b></u>		<u><b>£46,997,679</b></u>

The financial statements were approved by the Trustees on 14 May 2010 and signed on their behalf by

R A Bottoms – Moderator

M A Broad – Treasurer

The notes on pages 16 to 28 form an integral part of these financial statements.

**BAPTIST UNION OF GREAT BRITAIN**

**BALANCE SHEET AT 31 DECEMBER 2009**

	Notes	2009		2008 (restated)	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible fixed assets	11		3,413,945		3,229,815
Investments	12		<u>17,319,042</u>		<u>15,108,957</u>
			20,732,987		18,338,772
<b>CURRENT ASSETS</b>					
Stocks			20,111		18,093
Debtors	13		1,099,859		805,319
Loans	14		1,597,621		1,481,629
Cash and bank	15		<u>5,648,476</u>		<u>7,546,855</u>
			8,366,067		9,851,896
<b>CURRENT LIABILITIES</b>					
Creditors:					
Amounts failing due within one year	16		<u>190,943</u>		<u>202,273</u>
NET CURRENT ASSETS			8,175,124		9,649,623
<b>NET ASSETS</b>			<b><u>£28,908,111</u></b>		<b><u>£27,988,395</u></b>
<b>ENDOWMENT FUNDS</b>					
	17		751,301		695,068
<b>RESTRICTED FUNDS</b>					
	18		586,341		526,365
<b>DESIGNATED FUNDS</b>					
	19		17,749,764		16,653,571
<b>UNRESTRICTED FUNDS</b>					
			9,820,705		10,113,391
			<b><u>£28,908,111</u></b>		<b><u>£27,988,395</u></b>

The financial statements were approved by the Trustees on 14 May 2010 and signed on their behalf by

R A Bottoms – Moderator

M A Broad – Treasurer

The notes on pages 16 to 28 form an integral part of these financial statements.

**BAPTIST UNION OF GREAT BRITAIN**

**CONSOLIDATED CASH FLOW STATEMENT**

**YEAR ENDED 31 DECEMBER 2009**

	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>(restated)</b>
		<b>£</b>
RECONCILIATION OF CHANGES IN RESOURCES TO NET CASH INFLOW FROM OPERATING ACTIVITIES		
Net incoming resources for the year	1,059,889	2,070,516
Depreciation charges	9,279	8,445
(Profit) on disposal of tangible fixed assets	(1,308,773)	(1,335,214)
(Increase)/decrease in stocks	(2,018)	3,549
(Increase) in debtors	(609,336)	(314,421)
(Decrease) in loans	(115,992)	(82,137)
(Decrease)/increase in creditors	60,969	(248,397)
<b>Net cash (outflow)/inflow from operating activities</b>	<b><u>£(905,982)</u></b>	<b><u>£102,341</u></b>

CASH FLOW STATEMENT

Net cash (outflow)/inflow from operating activities	(905,982)	102,341
Payments to acquire tangible fixed assets	(1,937,293)	(1,530,181)
Receipts from sale of tangible fixed assets	2,166,622	1,529,126
Payments to acquire investments	(3,801,934)	(1,421,542)
Receipts from sale of investments	2,530,155	735,508
<b>Net cash (outflow) in the year</b>	<b><u>£(1,948,432)</u></b>	<b><u>£(584,748)</u></b>

Cash and Bank Balances

1 January 2009 as previously reported	8,039,458	8,606,012
1 January 2009 Prior year adjustment	note 25	<u>18,194</u>
1 January 2009 as restated	8,039,458	8,624,206
31 December 2009	6,091,026	8,039,458
<b>Net cash (outflow) in the year</b>	<b><u>£(1,948,432)</u></b>	<b><u>£(584,748)</u></b>

The notes on pages 16 to 28 form an integral part of these financial statements.

Notes to the consolidated financial statements for the year ended 31 December 2009

1 ACCOUNTING POLICIES

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

1.1 Basis of Accounting

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

1.2 Basis of Consolidation

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

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

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

Details of these interests are given in note 12 of the consolidated financial statements.

1.3 Fund Accounting

Unrestricted Funds

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

Designated Funds

These represent unrestricted funds which have been set aside by the Union for specific purposes as set out in note 19. They may be returned to General unrestricted funds at the discretion of the Union.

Restricted Funds

These represent amounts which have been restricted by the donors for use for specific purposes or which have been raised by the Union for particular purposes. The aims and uses of these funds are set out in note 18.

Endowment Funds

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

1.4 Incoming resources

Donations are accounted for gross when received.

Legacies are accounted for at the earlier of the Estate accounts being finalised and notified, and cash received.

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

All other incoming resources are accounted for on an accruals basis.

1.5 Resources expended

Costs of generating voluntary income represents publicity material and promotion of the Union and the Home Mission Fund.

Direct charitable expenditure represents expenditure in the furtherance of the objects of the Union.

Governance costs are the costs which related to the constitutional and statutory requirements and strategy of the charity, in distinction to those costs related to charitable activity, together with a proportion of shared and indirect costs.

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

All other resources expended have been accounted for on an accruals basis.

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, and have been allocated to charitable activities, fundraising, and governance on a basis consistent with the use of resources.

1.6 Depreciation

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

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

**BAPTIST UNION OF GREAT BRITAIN**

**Notes to the consolidated financial statements for the year ended 31 December 2009 (continued)**

1 ACCOUNTING POLICIES continued

1.6 Depreciation continued

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

Furniture and fittings	10%
Computers and equipment	25% and 33%

1.7 Stocks

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

1.8 Investment assets

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

1.9 Realised and unrealised gains and losses

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

1.10 Pensions

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

2 VOLUNTARY INCOME

	<b>Unrestricted Funds</b>	<b>Designated Funds</b>	<b>Restricted Funds</b>	<b>Endowment Funds</b>	<b>2009</b>	<b>2008 (restated)</b>
					<b>£</b>	<b>£</b>
Donations	3,938,316	0	41,939	0	3,980,255	3,965,485
Legacies	409,086	0	571,847	0	980,933	1,030,180
Subscriptions	268,792	0	0	0	268,792	275,083
Gifts from other Baptist Charities	90,500	0	0	0	90,500	218,500
	<b>£4,706,694</b>	<b>£0</b>	<b>£613,786</b>	<b>£0</b>	<b>£5,320,480</b>	<b>£5,489,248</b>

3 INVESTMENT INCOME

	<b>Unrestricted Funds</b>	<b>Designated Funds</b>	<b>Restricted Funds</b>	<b>Endowment Funds</b>	<b>2009</b>	<b>2008 (restated)</b>
					<b>£</b>	<b>£</b>
UK listed Bonds	76,296	121,371	10,285	16,412	224,364	193,593
UK listed Equities	41,129	37,916	4,392	7,009	90,446	131,752
UK Property Unit Trusts	30,812	35,858	4,153	6,628	77,451	78,830
Return on investment in BUC Ltd	173,195	0	0	0	173,195	244,034
Interest on Cash Deposits	29,501	84,633	2,318	3,682	120,134	439,220
	<b>£350,933</b>	<b>£279,778</b>	<b>£21,148</b>	<b>£33,731</b>	<b>£685,590</b>	<b>£1,087,429</b>

4 INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	<b>Unrestricted Funds</b>	<b>Designated Funds</b>	<b>Restricted Funds</b>	<b>Endowment Funds</b>	<b>2009</b>	<b>2008</b>
					<b>£</b>	<b>£</b>
Grants receivable	0	0	0	0	0	23,178
Trading income	747,445	0	349,246	0	1,096,691	1,063,543
Rent	143,549	0	0	0	143,549	138,608
	<b>£890,994</b>	<b>£0</b>	<b>£349,246</b>	<b>£0</b>	<b>£1,240,240</b>	<b>£1,225,329</b>

**BAPTIST UNION OF GREAT BRITAIN**

**Notes to the consolidated financial statements for the year ended 31 December 2009 (continued)**

5 OTHER INCOMING RESOURCES

	<b>Unrestricted Funds</b>	<b>Designated Funds</b>	<b>Restricted Funds</b>	<b>Endowment Funds</b>	<b>2009</b>	<b>2008</b>
					<b>£</b>	<b>£</b>
Profit on sale of properties	<b>£184,673</b>	<b>£648,750</b>	<b>£475,350</b>	<b>£0</b>	<b>£1,308,773</b>	<b>£1,335,214</b>

6 COST OF GENERATING FUNDS

	<b>Unrestricted Funds</b>	<b>Designated Funds</b>	<b>Restricted Funds</b>	<b>Endowment Funds</b>	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Generating voluntary income	160,537	0	0	0	160,537	170,626
Investment Management	2,072	18,922	664	1,147	22,805	30,980
	<b>£162,609</b>	<b>£18,922</b>	<b>£664</b>	<b>£1,147</b>	<b>£183,342</b>	<b>£201,606</b>

7 CHARITABLE ACTIVITIES

	<b>Unrestricted Funds</b>	<b>Designated Funds</b>	<b>Restricted Funds</b>	<b>Endowment Funds</b>	<b>2009</b>	<b>2008 (restated)</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Grants to churches	1,902,178	19,747	590	350	1,922,865	1,877,503
Associations	1,736,893	0	0	0	1,736,893	1,686,984
Mission	349,029	0	0	0	349,029	396,773
Ministry	484,431	0	0	0	484,431	470,789
Advice and Information	1,270,875	0	0	0	1,270,875	1,078,643
Ecumenical	189,820	0	0	0	189,820	186,643
Training	160,199	371,994	0	0	532,193	451,115
Holidays	122,256	0	0	0	122,256	125,595
Retirement Housing	0	0	323,846	0	323,846	288,093
Benevolent Funds	0	49,486	17,711	0	67,197	77,571
	<b>£6,215,681</b>	<b>£441,227</b>	<b>£342,147</b>	<b>£350</b>	<b>£6,999,405</b>	<b>£6,639,709</b>

8 GOVERNANCE COSTS

	<b>Unrestricted Funds</b>	<b>Designated Funds</b>	<b>Restricted Funds</b>	<b>Endowment Funds</b>	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Assembly	7,756	0	0	0	7,756	4,000
Council	25,460	0	0	0	25,460	22,035
Committees	15,679	886	1,052	0	17,617	16,118
Audit Fee	37,182	0	5,262	0	42,444	34,829
Legal Fees	76,956	0	0	0	76,956	14,073
Trustee Insurance	5,485	0	0	0	5,485	4,501
Salaries	67,705	0	0	0	67,705	65,118
Office Costs	21,742	0	0	0	21,742	22,913
Support Costs	25,116	0	0	0	25,116	19,751
	<b>£283,081</b>	<b>£886</b>	<b>£6,314</b>	<b>£0</b>	<b>£290,281</b>	<b>£203,338</b>

**BAPTIST UNION OF GREAT BRITAIN**

**Notes to the consolidated financial statements for the year ended 31 December 2009 (continued)**

9 TOTAL RESOURCES EXPENDED

	<b>Direct Charitable</b>	<b>Grant Funding</b>	<b>Support Costs</b>	<b>2009</b>	<b>2008 (restated)</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Grants payable	60,369	1,856,544	5,952	1,922,865	1,877,503
Associations	1,648,743	88,150	0	1,736,893	1,686,984
Mission	317,703	0	31,326	349,029	396,773
Ministry	440,953	0	43,478	484,431	470,789
Advice and Information	1,121,629	77,249	71,997	1,270,875	1,078,643
Ecumenical	86,223	86,560	17,037	189,820	186,643
Training	145,821	371,994	14,378	532,193	451,115
Holidays	122,256	0	0	122,256	125,595
Retirement Housing	323,846	0	0	323,846	288,093
Benevolent Funds	0	67,197	0	67,197	77,571
	<b>4,267,543</b>	<b>2,547,694</b>	<b>184,168</b>	<b>6,999,405</b>	<b>6,639,709</b>
Cost of generating funds	168,934	0	14,408	183,342	201,606
Governance	265,165	0	25,116	290,281	203,338
<b>Total</b>	<b>£4,701,642</b>	<b>£2,547,694</b>	<b>£223,692</b>	<b>£7,473,028</b>	<b>£7,044,653</b>

10 EMPLOYEES AND TRUSTEES

	<b>Consolidated</b>		<b>Charity</b>	
	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Staff Costs				
Salaries	1,255,901	1,190,363	1,080,828	1,018,276
Social security costs	122,533	113,524	106,245	97,599
Pension costs	214,079	175,827	191,961	153,549
Other costs	121,684	117,222	112,186	110,166
	<b>1,714,197</b>	<b>1,596,936</b>	<b>1,491,220</b>	<b>1,379,592</b>
Less Attributable to other Baptist entities	380,120	326,911	380,120	326,911
	<b>£1,334,077</b>	<b>£1,270,025</b>	<b>£1,111,100</b>	<b>£1,379,590</b>

Average number of employees during the year was	50	51	43	43
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No employee received emoluments in excess of £60,000 during the year (2008 nil).

Emoluments including pension contributions amounting to £39,571 (2008 £39,320) were paid to the Revd J Edwards for his work as General Secretary. He is also a Trustee.

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

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

A total of £3,056 was paid to 12 Trustees in reimbursement of travelling and subsistence expenses as Trustees (2008 £5,181 to 12 Trustees).

**BAPTIST UNION OF GREAT BRITAIN**

**Notes to the consolidated financial statements for the year ended 31 December 2009 (continued)**

11 TANGIBLE FIXED ASSETS

<b>Consolidated</b>	<b>Freehold Properties</b>	<b>Computers and Equipment</b>	<b>Furniture and Fittings</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Cost				
1 January 2009	26,309,604	288,724	278,685	26,877,013
Additions	1,895,159	40,336	1,798	1,937,293
Disposals	(857,849)	(49,079)	(18,371)	(925,299)
31 December 2009	<u>27,346,914</u>	<u>279,981</u>	<u>262,112</u>	<u>27,889,007</u>
Depreciation				
1 January 2009	0	283,093	271,793	554,886
Charge for the year	0	7,403	1,876	9,279
On disposals	0	(49,079)	(18,371)	(67,450)
31 December 2009	<u>0</u>	<u>241,417</u>	<u>255,298</u>	<u>496,715</u>
<b>Net Book Value</b>				
<b>31 December 2009</b>	<b><u>£27,346,914</u></b>	<b><u>£38,564</u></b>	<b><u>£6,814</u></b>	<b><u>£27,392,292</u></b>
<b>31 December 2008</b>	<b><u>£26,309,604</u></b>	<b><u>£5,631</u></b>	<b><u>£6,892</u></b>	<b><u>£26,322,127</u></b>
<b>Charity</b>				
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Cost				
1 January 2009	3,222,649	86,374	260,314	3,569,337
Additions	358,809	0	1,798	360,607
Disposals	(174,327)	0	0	(174,327)
31 December 2009	<u>3,407,131</u>	<u>86,374</u>	<u>262,112</u>	<u>3,755,617</u>
Depreciation				
1 January 2009	0	86,100	253,422	339,522
Charge for the year	0	274	1,876	2,150
On disposals	0	0	0	0
31 December 2009	<u>0</u>	<u>86,374</u>	<u>255,298</u>	<u>341,672</u>
<b>Net Book Value</b>				
<b>31 December 2009</b>	<b><u>£3,407,131</u></b>	<b><u>£0</u></b>	<b><u>£6,814</u></b>	<b><u>£3,413,945</u></b>
<b>31 December 2008</b>	<b><u>£3,222,649</u></b>	<b><u>£274</u></b>	<b><u>£6,892</u></b>	<b><u>£3,229,815</u></b>

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

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

**BAPTIST UNION OF GREAT BRITAIN**

**Notes to the consolidated financial statements for the year ended 31 December 2009 (continued)**

12 INVESTMENTS

<b>Consolidated</b>	<b>Unquoted at cost</b>	<b>Quoted at Market Value</b>	<b>Investment in Baptist Union Corporation</b>	<b>2009</b>	<b>2008 (restated)</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
1 January 2009	1,752	7,162,380	5,138,165	12,302,297	15,104,243
Additions	59,900	3,801,934	0	3,801,934	1,421,542
Disposals	0	(2,519,310)	(10,845)	(2,530,155)	(735,508)
Realised and unrealised (losses)/gains	(60,000)	730,854	220,195	891,049	(3,487,980)
31 December 2009	<b>£1,652</b>	<b>£9,175,858</b>	<b>£5,347,515</b>	<b>£14,465,125</b>	<b>£12,302,297</b>
Less share of net losses in Joint Venture				£9,508	£9,528
				<b>£14,455,617</b>	<b>£12,292,769</b>
Historical cost of investments				£15,610,755	£14,748,731

The investment in the Baptist Union Corporation Limited corresponds to the designated fund in note 19.

<b>Charity</b>	<b>Unquoted at cost</b>	<b>Quoted at Market Value</b>	<b>Investment in Baptist Union Corporation</b>	<b>2009</b>	<b>2008 (restated)</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
1 January 2009	2,829,742	7,141,050	5,138,165	15,108,957	17,902,058
Additions	59,900	3,789,929	0	3,849,829	1,421,542
Disposals	0	(2,519,310)	(10,845)	(2,530,155)	(735,508)
Realised and unrealised (losses)/gains	(60,000)	730,216	220,195	890,411	(3,479,135)
31 December 2009	<b>£2,829,642</b>	<b>£9,141,885</b>	<b>£5,347,515</b>	<b>£17,319,042</b>	<b>£15,108,957</b>
Historical cost of investments				£18,498,645	£17,576,721

The following investment exceeded 5% of the total portfolio.

Royal London Ethical Bond Fund	£5,303,087	£3,711,828
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The investment in Baptist Union Corporation Ltd corresponds to the designated reserve in note 19.

	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Unquoted investments at cost		
1 January 2009 and 31 December 2009		
Baptist Times Limited	60,000	100
Baptist Holiday Fellowship Limited	16,687	16,687
Joint Venture	2,811,203	2,811,203
Others	1,752	1,752
	<b>2,889,642</b>	<b>2,829,742</b>
Less provision for loss	60,000	0
	<b>£2,829,642</b>	<b>£2,829,742</b>

The unquoted investments represent 100% of the issued share capital of the Baptist Times Limited which publishes the Baptist Times, 96% of the issued share capital of Baptist Holiday Fellowship Limited which provides holidays, and 50% of the Joint Venture between the Baptist Missionary Society and the Baptist Union of Great Britain which owns and runs the premises at Baptist House, together with small holdings in other unquoted companies. All subsidiary companies are registered in England.

**BAPTIST UNION OF GREAT BRITAIN**

**Notes to the consolidated financial statements for the year ended 31 December 2009 (continued)**

12 INVESTMENTS continued

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

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

The Baptist Union of Great Britain appoints a majority of the Directors of Baptist Times Limited, which publishes the Baptist Times newspaper and has been consolidated on a line by line basis.

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

The Baptist Union of Great Britain appoints a majority of the Directors of Baptist Leading Edge Limited, which operates a Holiday Bible Week. It has been consolidated on a line by line basis.

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

The Baptist Union of Great Britain appoints half the Directors of Baptist House Limited which provides conference facilities in Didcot for local businesses, and the Union's share has been consolidated as a Joint Venture.

13 DEBTORS

	Consolidated		Charity	
	2009	2008	2009	2008
	£	£	£	£
Baptist Union Corporation Limited	335,975	90,112	335,975	90,112
Accrued income	1,065,115	658,043	632,641	541,694
Prepayments and other debtors	149,560	193,159	131,243	173,513
	<b>£1,550,650</b>	<b>£941,314</b>	<b>£1,099,859</b>	<b>£805,319</b>

14 LOANS

Included in this balance are amounts due after one year of £1,583,659 (2008 £1,464,901).

15 CASH AND BANK BALANCES

	Consolidated		Charity	
	2009	2008 (restated)	2009	2008 (restated)
	£	£	£	£
HSBC Bank plc	1,028,604	846,763	775,558	599,683
Royal London Cash Management	2,615,952	3,881,756	2,615,952	3,881,756
Baptist Union Corporation Limited	1,686,379	1,832,517	1,656,966	1,765,416
Charities Official Investment Fund Deposit	760,091	1,478,422	600,000	1,300,000
	<b>£6,091,026</b>	<b>£8,039,458</b>	<b>£5,648,476</b>	<b>£7,546,855</b>

16 CREDITORS

	Consolidated		Charity	
	2009	2008	2009	2008
Amounts falling due within one year:				
Accruals and other creditors	<b>£2,158,680</b>	<b>£2,097,711</b>	<b>£190,943</b>	<b>£202,273</b>

**BAPTIST UNION OF GREAT BRITAIN**

**Notes to the consolidated financial statements for the year ended 31 December 2009 (continued)**

17 ENDOWMENT FUNDS – Consolidated and Charity

	<b>1 January 2009</b>	<b>Incoming Resources</b>	<b>Resources Expended</b>	<b>Gains and Losses</b>	<b>Transfers</b>	<b>31 December 2009</b>
Sustentation Fund	<b>£695,068</b>	<b>£33,731</b>	<b>£(1,497)</b>	<b>£57,380</b>	<b>£(33,381)</b>	<b>£751,301</b>
	<b>Investments</b>	<b>Current Assets</b>	<b>Total</b>			
Sustentation Fund	<b>£725,696</b>	<b>£25,605</b>	<b>£751,301</b>			

The Sustentation Fund income is available for provision of Ministry and the income was transferred to unrestricted income.

18 RESTRICTED FUNDS

	<b>1 January 2009 restated</b>	<b>Incoming Resources</b>	<b>Resources Expended</b>	<b>Gains and Losses</b>	<b>Transfers</b>	<b>31 December 2009</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Continental Fund	41,718	1,606	(640)	2,499	0	45,183
Deaconesses' Benevolent Fund	13,296	258	0	0	0	13,554
Ministers' Benevolent Fund	51,755	2,124	(1,862)	3,096	0	55,113
Retired Ministers' Benevolent Fund	140,937	6,521	(1,816)	10,795	0	156,437
Widows' Benevolent Fund	16,677	7,668	(4,100)	0	0	20,245
J A Spurgeon Memorial Trust	261,982	20,895	(10,547)	23,479	0	295,809
<b>Total Charity</b>	<b>526,365</b>	<b>39,072</b>	<b>(18,965)</b>	<b>39,869</b>	<b>0</b>	<b>586,341</b>
Retired Baptist Ministers Housing Society	18,740,831	945,108	(330,160)	475,988	0	19,831,767
<b>Total Consolidated</b>	<b>£19,267,196</b>	<b>£984,180</b>	<b>£(349,125)</b>	<b>£515,857</b>	<b>£0</b>	<b>£20,418,108</b>
	<b>Fixed Assets</b>	<b>Investments</b>	<b>Current Assets</b>	<b>Total</b>		
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>		
Continental Fund	0	31,607	13,576	45,183		
Deaconesses' Benevolent Fund	0	0	13,554	13,554		
Ministers' Benevolent Fund	0	39,157	15,956	55,113		
Retired Ministers' Benevolent Fund	0	136,591	19,846	156,437		
Widows' Benevolent Fund	0	0	20,245	20,245		
J A Spurgeon Memorial Trust	0	249,678	46,131	295,809		
<b>Total Charity</b>	<b>0</b>	<b>457,033</b>	<b>129,308</b>	<b>586,341</b>		
Retired Baptist Ministers Housing Society	21,092,954	33,973	(1,295,160)	19,831,767		
<b>Total Consolidated</b>	<b>£21,092,954</b>	<b>£491,006</b>	<b>£(1,165,852)</b>	<b>£20,418,108</b>		

The Continental Fund is used for facilitating contact with Baptist Unions in Europe.

The Deaconesses' Benevolent Fund assists former members of the Deaconesses' Order.

The Ministers' Benevolent Fund is to assist ministers on the accredited list.

The Retired Ministers' Benevolent Fund is to assist retired ministers on the accredited list.

The Widows' Benevolent Fund assists widows of ministers who were on the accredited list.

The J A Spurgeon Memorial Fund makes grants for holidays for Baptist Ministers who meet the criteria required. It has been included in the financial statements for 2009 with consequential amendments made to the 2008 comparative figures.

The Retired Baptist Ministers Housing Society rents houses to eligible Baptist Ministers and their spouses in retirement.

**BAPTIST UNION OF GREAT BRITAIN**

**Notes to the consolidated financial statements for the year ended 31 December 2008 (continued)**

19 DESIGNATED FUNDS – Consolidated and Charity

	<b>1 January 2009</b>	<b>Incoming Resources</b>	<b>Resources Expended</b>	<b>Gains and Losses</b>	<b>Transfers</b>	<b>31 December 2009</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Ministerial Training	95,350	2,532	(59,556)	(5,154)	(33,172)	0
New Venture	99,749	4,101	(4,130)	6,491	0	106,211
Overseas Travel	20,000	0	0	0	4,000	24,000
Women's Ministerial Training	11,122	0	0	0	(11,122)	0
Newington Court	3,293,336	96,837	(15,747)	114,873	0	3,489,299
Tithe Fund capital	882,389	0	(1,513)	75,631	0	956,507
Tithe Fund income	9,891	44,753	(49,486)	0	0	5,158
Student Training capital	3,592,964	0	(6,334)	319,778	41,762	3,948,170
Student Training income	273,101	128,863	(267,417)	0	(20,000)	114,547
Loan fund capital	5,138,165	0	(10,845)	220,195	0	5,347,515
Baptist Strategy Building Scheme	2,988,328	0	(886)	0	0	2,987,442
W E King Trust	58,995	0	0	0	(58,995)	0
M E Easlea Trust	61,100	0	0	0	(61,100)	0
Scholarship Fund	66,265	1,069	(45,121)	1,041	32,500	55,754
Pension Reserve	0	648,750	0	0	0	648,750
Worship Fund	62,816	1,623	0	1,972	0	66,411
	<b>£16,653,571</b>	<b>£928,528</b>	<b>£(461,035)</b>	<b>£734,827</b>	<b>£(106,127)</b>	<b>£17,749,764</b>

	<b>Investments</b>	<b>Current Assets</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Ministerial Training	0	0	0
New Venture	82,085	24,126	106,211
Overseas Travel	0	24,000	24,000
Women's Ministerial Training	0	0	0
Newington Court	1,397,453	2,091,846	3,489,299
Tithe Fund capital	956,507	0	956,507
Tithe Fund income	0	5,158	5,158
Student Training capital	3,948,170	0	3,948,170
Student Training income	0	114,547	114,547
Loan fund capital	5,347,515	0	5,347,515
Baptist Strategy Building Scheme	0	2,987,442	2,987,442
W E King Trust	0	0	0
M E Easlea	0	0	0
Scholarship Fund	13,163	42,591	55,754
Pension Reserve	0	648,750	648,750
Worship Fund	37,767	28,644	66,411
	<b>£11,782,660</b>	<b>£5,967,104</b>	<b>£17,749,764</b>

The Ministerial Training Fund is used to support Ministers' Training at Baptist Colleges. The income is transferred to unrestricted funds.

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

The Overseas Travel Fund equalises the cost of attendance at international conferences. An amount was released to general funds during the year.

The Womens' Ministerial Training Fund is for Women Ministers' Training at Baptist Colleges. The income is transferred to unrestricted funds.

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

**BAPTIST UNION OF GREAT BRITAIN**

**Notes to the consolidated financial statements for the year ended 31 December 2009 (continued)**

19 DESIGNATED FUNDS – Consolidated and Charity continued

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

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

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

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

The Loan fund capital is the investment in the Baptist Union Corporation, which can only be repaid if the Baptist Union Loan fund is wound up.

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

The King legacy income and the Easlea income are for Ministerial Training and the income was transferred to unrestricted income.

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

The Pension Reserve was created from the Union's share of Ultimate Trusts received in 2009, and is held pending the next actuarial valuation of the Baptist Ministers' Pension Fund.

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

20 ANALYSIS OF NET ASSETS

	<b>Fixed Assets</b>	<b>Investments</b>	<b>Current Assets</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Endowment Funds	0	725,696	25,605	751,301
Restricted Funds	21,092,954	491,006	(1,165,852)	20,418,108
Designated Funds	0	11,782,660	5,967,104	17,749,764
Unrestricted Funds	6,299,338	1,456,255	2,273,871	10,029,464
	<b>£27,392,292</b>	<b>£14,455,617</b>	<b>£7,100,728</b>	<b>£48,948,637</b>

21 GRANTS MADE

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.

The largest grants made during the year were as follows:

	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
<b>General Grants for Baptist Organisations</b>		
European Baptist Federation	53,249	53,000
Viz-a-Viz	12,000	12,000
Baptist World Alliance	10,100	9,900
Score	8,000	10,000
	<u>83,349</u>	<u>84,900</u>
<b>Ecumenical Grants</b>		
Churches Together in Britain and Ireland and Churches Together in England	54,000	54,000
Cafe Church Network	13,226	9,200
Northumbrian Community	12,000	12,000
World Council of Churches	9,000	8,800
Free Churches Council	8,100	7,427
	<u>96,326</u>	<u>91,427</u>
<b>Association Grants</b>		
Northern Baptist Association	30,000	31,000
North Western Baptist Association	20,400	20,400
London Baptist Association	20,000	12,000
Central Baptist Association	12,500	13,500
Yorkshire Baptist Association	5,250	7,950
	<u>88,150</u>	<u>84,850</u>

**BAPTIST UNION OF GREAT BRITAIN**

**Notes to the consolidated financial statements for the year ended 31 December 2009 (continued)**

21 GRANTS MADE continued

**Ministry Grants to Churches**

Birmingham Handsworth Baptist Church	19,100	18,400
Croydon, Boston Road Baptist Church	19,100	18,400
Hebden Bridge, Hope Baptist Church	19,100	7,667
London Arabic Evangelical Church	19,100	18,400
Urban Expression	19,100	18,400
Buttershaw Baptist Church Bradford	18,463	14,720
Kent Thameside	17,000	13,750
Dalton Baptist Church Huddersfield	16,235	15,810
Bristol Re:Source	16,108	16,560
Eglise Baptist Francophone Londres	15,280	12,000
Kings Cross Baptist Church	15,000	12,000
London Romanian Churches	15,000	0
South Manchester Partnership (Synergy)	14,325	13,650
Swarcliffe Baptist Church	14,134	13,340
Ellesmere Port Missioner	13,370	11,960
Middleton Cheyney, New Life	13,370	12,880
Stevenage, Great Ashby	13,370	9,660
Wood Green, Braemar Avenue	13,370	4,293
Emersons Green Baptist Church Bristol	13,000	13,800
Iglesia Bautista Carismatica De Londres	12,000	12,450
Milnsbridge Baptist Church Huddersfield	11,500	11,500
Enfield, Suffolks	11,460	10,350
Hayes, Grange Park	11,460	7,000
Iford Baptist Church	11,460	12,880
Church from Scratch	10,744	6,200
Bristol, Patchway	10,505	4,140
London Colney	10,505	11,960
Mountain Ash, Providence Baptist Church	10,505	11,040
Hartlepool Owton Manor Baptist Church	10,000	10,000
Sheffield Berean Baptist Temple	10,000	12,000
Stoke Baptist Church	10,000	12,000
Birkenhead Laird Street Baptist Church	9,550	9,200
Blackfield	9,550	9,200
Bristol, City Road	9,550	9,200
Cambridge, Barnwell Baptist Church	9,550	9,200
Cardiff Radyr New Life	9,550	9,500
Chelmsley Wood Baptist Church	9,550	9,200
Chelwood Baptist Church	9,550	9,200
Coalville, Greenhill	9,550	2,760
Darlington, Corporation Road	9,550	9,200
Derby, Boulton Lane	9,550	9,200
Derbyshire Missioner	9,550	9,200
East Leake	9,550	7,500
Havant, Leigh Park Baptist Church	9,550	9,200
Heathrow Airport Chaplaincy	9,550	9,200
Hounslow Community Church	9,550	0
Leeds, Bramley	9,550	0
Little Kimble	9,550	6,900
Liverpool, Waterloo	9,550	9,200
Lode	9,550	6,134
Maldon	9,550	3,067
Manchester, Coverdale	9,550	9,200
Manchester, Harpurhey	9,550	10,000
Manchester, Levenshulme	9,550	9,200
Manchester Openshaw Baptist Church	9,550	9,200
Carried Forward	<hr/> 662,864	<hr/> 551,071

**BAPTIST UNION OF GREAT BRITAIN**

**Notes to the consolidated financial statements for the year ended 31 December 2009 (continued)**

21 GRANTS MADE (Continued)

	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Brought forward	662,864	551,071
Paignton, Roselands	9,550	0
Pentrebach Jerusalem Baptist Church	9,550	9,200
Sheffield, Woodseats	9,550	0
Treeton	9,550	3,067
Wolston Baptist Church	9,550	9,200
Thornaby Baptist Church	9,550	8,000
Yiewsley Baptist Church	9,000	9,200
Accrington, Ernest Street Baptist Church	8,595	9,200
Cheddar	8,595	9,200
Port Talbot, Riverside	8,595	9,200
Southport, Scarisbrick	8,595	9,200
Waterbeach	8,595	9,200
Farnborough Baptist Church	7,640	9,200
Newthorpe Baptist Church	7,640	9,200
Gildersome Baptist Church	6,367	14,400
Detached Evangelist	5,571	9,200
Taunton, Halcon Baptist Church	4,775	9,200
Wembley, Gospel Restoration	4,600	9,200
Cotswolds Community Church	0	12,000
Shalom Baptist Ministries Hanwell	0	12,500
Bilborough Baptist Church	0	11,040
Mexborough Baptist Church	0	9,660
Dalston Baptist Community Church	0	9,200
Oswestry Baptist Church	0	9,200
Other grants to churches	1,047,546	1,113,180
	<u>£1,856,278</u>	<u>£1,872,918</u>
	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
<b>Summary</b>		
General Grants to Baptist Organisations	83,349	84,900
Ecumenical Grants	96,326	91,427
Grants to Associations	88,150	84,850
Grants to Churches	1,856,278	1,872,918
Other grants	423,325	368,756
	<u><b>£2,547,428</b></u>	<u><b>£2,502,851</b></u>

Other grants include £4,400 paid as honoraria to 22 Baptist chaplains in universities (2008 £6,200).

22 RELATED PARTY TRANSACTIONS

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

During the year ended 31 December 2009 the Union charged the Baptist Union Corporation Limited (Corporation) £351,564 (2008 £340,237) in management charges and office and ancillary costs, £173,195 (2008 £244,034) interest on capital employed, and received from the Corporation £50,000 (2008 £46,000) as a donation to its work. At 31 December 2009 the Union was owed by the Corporation £92,198 (2008 £90,112) in connection with these transactions. At 31 December 2009 the Union had invested capital of £5,347,515 (2008 £5,138,165) in the Corporation, and deposited funds of £1,686,379 (2008 £1,832,517) in interest bearing accounts managed by the Corporation.

The charity has taken advantage of the exemption for disclosing intra-group transactions, in paragraph 3 of FRS8 which states that disclosure of related party transactions is not required in parent entity financial statements when those statements are presented together with its consolidated financial statements.

## BAPTIST UNION OF GREAT BRITAIN

### Notes to the consolidated financial statements for the year ended 31 December 2009 (continued)

#### 23 PENSIONS

The Union is the principal employer of two pension schemes known as the Baptist Union Staff Pension Scheme ('the Staff Scheme') and the Baptist Ministers' Pension Fund ('the Ministers' Fund'). 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. From 1 January 2009 employees pay 8% of their salary, and the employer pays the balance of the necessary contribution, currently 17.1%. The scheme started in 1969. A formal valuation was performed at 1 January 2008 by a professionally qualified Actuary using the Projected Unit Method. The market value of the Scheme's assets at the valuation date was £5,797,992.

The main benefit provided by the Ministers' Fund 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 the Minimum Pensionable Income. From 1 January 2009 Ministers pay 8% of their Pensionable Income and the employer pays 16%. The Scheme started in 1925. A formal valuation was performed at 31 December 2007 by a professionally qualified Actuary using the Projected Unit method. The market value of the Scheme's assets at the valuation date was £119,486,000.

As there are a number of contributing employers to both schemes, the Union 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 contributions payable. The total pension cost for the Union is £214,079 (2008 £175,827).

The financial assumptions underlying the valuations were as follows:

	Staff	Ministers
Discount rate pre retirement	7.00%	7.00%
Discount rate post retirement	5.00%	5.00%
Rate of price inflation	3.40%	3.40%
Rate of revaluation on deferred pensions	3.40%	3.40%
Rate of pension increases on benefits accrued to 5 April 2006	3.40%	3.40%
Rate of pension increased on benefits accrued after 5 April 2006	2.40%	2.40%

The valuation of the Staff Scheme revealed a surplus of assets compared with the value of liabilities of £387,000 (equivalent to past service funding level of 94%). The employer's ongoing future service contribution rate was assessed at 17.1% of pensionable salaries.

The valuation of the Ministers' Fund revealed a deficit of assets compared with the value of liabilities of £17,826,000 (equivalent to past service funding level of 87%). The employer's ongoing service contribution rate, to include eliminating the deficit, was assessed at 12% of pensionable income.

The next actuarial valuation of the Ministers' Fund will be as at 31 December 2010 and the next valuation of the Staff Scheme will be as at 1 January 2011.

#### 24 RESULTS OF THE MAIN CHARITY

Included in the consolidated financial statements is gross income of £6,577,833 (2008 £6,946,333) and a net surplus in funds for the year of £919,716 (2008 deficit £2,643,106) incurred by the Baptist Union of Great Britain.

#### 25 PRIOR YEAR ADJUSTMENT

The 2008 comparative figures of the financial statements have been restated to incorporate the results and net assets of the J A Spurgeon Memorial Trust as a restricted fund of the charity (see note 18).

## BAPTIST UNION OF GREAT BRITAIN

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

We have audited the consolidated financial statements of Baptist Union of Great Britain for the year ended 31 December 2009, which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet and the related notes. These consolidated financial statements have been prepared in accordance with the accounting policies set out therein and the requirements of the Statement of Recommended Practice: Accounting and Reporting by Charities (SORP 2005).

This report is made solely to the charity's trustees, as a body, in accordance with regulations issued under Section 43 of the Charities Act 1993. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of trustees and auditors**

The trustees' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities.

We have been appointed as auditors under section 43 of the Charities Act 1993 and report in accordance with regulations made under that Act. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (United Kingdom and Ireland).

We report to you our opinion as to whether the consolidated financial statements give a true and fair view and are properly prepared in accordance with the Charities Act 1993. We also report to you if, in our opinion, the Trustees' Annual Report is not consistent with those financial statements, if the charity has not kept sufficient accounting records, if the charity's financial statements are not in agreement with these accounting records or if we have not received all the information and explanations we require for our audit.

We read the Trustees' Annual Report and consider the implications for our report if we become aware of an apparent misstatement within it.

#### **Basis of opinion**

We conducted our audit in accordance with International Standards on Auditing (United Kingdom and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

#### **Opinion**

In our opinion:-

- the consolidated financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the group and charity as at 31 December 2009, and of its incoming resources and application of resources, for the year then ended; and
- the financial statements have been prepared in accordance with the Charities Act 1993.

Bridge House  
London Bridge  
London  
SE1 9QR

WILKINS KENNEDY  
Statutory Auditor and Chartered Accountants