

THE LONDON BAPTIST ASSOCIATION
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31ST DECEMBER 2004

**In membership with the
Baptist Union of Great Britain**

Charity Registration No: 1091160

Company Number: 4325272

**Jacob Cavenagh & Skeet
Chartered Accountants
5 Robin Hood Lane
Sutton
Surrey SM1 2SW**

THE LONDON BAPTIST ASSOCIATION
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31ST DECEMBER 2004

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THE LONDON BAPTIST ASSOCIATION

COMPANY INFORMATION

DIRECTORS

Mr K Adzam (appointed 22 June 2004)
Rev Dr A Beavis
Rev R Bell
Mrs FW Bowers (appointed 11 May 2004)
Miss A Buhari (resigned 20 January 2004)
Dr J Davies (term completed 11 May 2004)
Mrs L Everitt
Rev V Frederick George
Dr C Hicks
Rev AO Ige (appointed 14 July 2004)
Miss C Keats
Mrs M Kleissner

Rev V Lambert
Rev PW Martin
Mr J Newby
Mr M Parry
Rev SB Parry
Mr R Pedro (appointed 22 June 2004)
Rev S Rajagopalan
Miss N Savory
Rev Shosanya
Mr D Struthers
Rev Dr DPM Took

Directors are elected by the members in general meeting.

OFFICERS

Moderator
Regional Minister and Team Leader
Regional Minister (Mission)
Regional Minister (Racial Justice)
Regional Minister (Administration) and
Company Secretary
Honorary Treasurer

Mrs L Everitt
Rev Dr P M Took BA BD PhD
Rev D Shosanya
Rev S Rajagopalan MTh

Rev P W Martin BA
Mr M Parry

SOLICITORS

Carter Lemon Camerons
11 Breems Buildings
London EC4A 1DW

SURVEYORS

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

BANKERS

Barclays Bank plc
The City Business Banking Team
54 Lombard Street
London EC3P 3AH

AUDITORS

Jacob Cavenagh & Skeet
5 Robin Hood Lane
Sutton
Surrey SM1 2SW

STOCKBROKERS

Quilter & Co Limited
St Helen's
1 Undershaft
London EC3A 8BB

THE LONDON BAPTIST ASSOCIATION

REPORT OF THE BOARD OF DIRECTORS FOR THE YEAR ENDED 31ST DECEMBER 2004

The Board of Directors has pleasure in reporting on the Financial Statements for the year ended 31st December 2004, which have been prepared in accordance with the Companies Act 1985, the Charities Act 1993 and the Statement of Recommended Practice "Accounting and Reporting by Charities" (October 2000).

PRINCIPAL ACTIVITIES AND OBJECTS

The London Baptist Association is a grouping of Baptist churches in London and its environs and is affiliated to the Baptist Union of Great Britain. Baptist churches are admitted into membership by the passing of an ordinary resolution. Its object is the advancement of Christianity in and through its member churches individually and acting together, in accordance with the principles of the Baptist denomination. The present company was formed in November 2001 and began operating in 2002 when it took over the assets and liabilities of the former unincorporated Association which was formed in 1865.

The activities of The London Baptist Property Board Limited (LBPB), the subsidiary, are principally to act as the holding trustee for Baptist churches, to provide loans and accept deposits to finance the provision of church premises and manses.

Over the year to 31st December 2004, expenditure on the General fund exceeded income by £51,298. This compares to a deficit in 2003 of £8,580. In addition to the Home Mission refund, the association received grants of £18,000 from the London Baptist Property Board and £25,367 from Home Mission. Resources expended include the support costs of the regional ministry team, Home Mission coordinator, Youth Work coordinator, Britannia village Church planter and the Ferrier Estate Church planter, Kidbrooke as well as administrative support. During the year a loss of £5,702 was transferred to the general reserve leaving the general reserve with a balance of £360,677 compared to £366,379 at the end of 2003. During the year the Hatton Road manse was disposed resulting in proceeds of £231,049. The proceeds from this sale will be used to purchase a property for one of the regional ministers.

Churches in membership with the LBA and individuals contributed £420,296 to the Baptist Union Home Mission Fund appeal in 2004. An additional £4,500 was contributed from the LBPB surplus and £44,701 from subscriptions to the LBA from member churches. The total of £469,497 was slightly short of the amount raised in 2003 (£469,943). In 2005 the Association will receive 25% of this total from Home Mission to support its work and activities.

The Association received six new churches into membership through the year: The Link Church, (Willesden Green), Harvest Rock Community Church (Plaistow), Bethel Baptist Church (Bow), the London Spanish-Speaking Charismatic Baptist Church (Norwood), Dominion Bible Church (Peckham) and Wimbledon Korean Baptist Church. These churches added to the increasingly culturally diverse nature of London's Baptist churches.

This was the first full year in which the Association benefited from a full complement of Regional Ministers. Revd Dr Pat Took has continued to lead the team and has provided pastoral support to ministers and churches, not least in facilitating the settlement process. Revd David Shosanya arranged a number of training events through the year, offered advice to churches considering their mission strategy and began the development of a consultancy programme for churches. Revd Kumar Rajagopalan has engaged with a number of churches on a wide range of racial justice issues and has begun to develop a range of programmes to offer churches. Revd Paul Martin continued to coordinate the administrative life of the Association. All of the Regional Ministers are engaged in a regular programme of preaching in the churches.

The work of the Regional Ministers was complemented by Revd Carol McCarthy (Home Mission Coordinator) who continued to promote Home Mission in the churches and by Pete Leveson (Youth Work Coordinator) who has arranged a varied programme of training events and offered consultancy and advice to churches and youth workers. The work of the Association is supported by the efficient and committed work of the office staff: Joyce Caddy (office secretary), Barbara Govey (Property Board bookkeeper), John and Mary Harrison (Association bookkeepers) and Cathy Rouse (secretary to Pat Took). District Ministers have again offered valuable support and encouragement to ministers and churches.

THE LONDON BAPTIST ASSOCIATION

REPORT OF THE BOARD OF DIRECTORS
FOR THE YEAR ENDED 31ST DECEMBER 2004 (continued)

The directors have continued to keep the purposes and priorities of the Association under review. Some of the areas that have been highlighted for future work are: the continuation of the initiative to develop support for small churches; the development of a programme to support children's work in the churches; a review of the communications strategy of the Association.

The four Regional Ministers (who are also directors) are entitled to receive remuneration from the Association under the terms of the Memorandum of Association. (Details are to be found at note 16.) Otherwise the directors did not receive any remuneration or benefit in kind from the Association or its subsidiary company the London Baptist Property Board Ltd.

Statement of the responsibilities of the Board of Directors

The directors act as the managing trustees of the Association. The Board is responsible for preparing Financial Statements for each financial period which give a true and fair view of the state of affairs of the Association and of the surplus or deficit of the Association for that period. In preparing those financial Statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Association will continue in its activities.

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

Investment policy

A similar ethical investment policy is followed as that of the Baptist Union of Great Britain.

The general policy is to deposit day-to-day funds with the London Baptist Property Board Limited, and, for investments of a more permanent nature, the LBA stockbrokers are consulted.

Risk management

The directors have considered the major risks to which the Association is exposed and is satisfied that, where necessary, procedures have been and are being put in place to mitigate those risks so far as is practicable.

Reserves Policy

Following the establishment of the General Fund investment portfolio (some years ago), the policy has been to set aside to the General Reserve amounts equivalent to the net realised surpluses on the disposal/exchange of investments in the portfolio. Now that the General Reserve exceeds the cost of the investment portfolio, any such excess may be available towards financing the future ongoing activities of the LBA.

Charitable donations

Details of grants made to other charitable organisations are shown in note 9 of the accounts.

Auditors

Jacob Cavenagh & Skeet have audited the financial statements for the year ended 31st December 2004.

BY ORDER OF THE BOARD

235 Shaftesbury Avenue
London
WC2H 8EP
22 March 2005

THE LONDON BAPTIST ASSOCIATION

GENERAL INFORMATION

The LBA is governed by its Memorandum and Articles of Association which were adopted on incorporation of the company on 20th November 2001. The Articles of Association provide for bye-laws for the detailed running of the company. The bye-laws were revised on 10th October 2002.

The LBA is financed chiefly by its share of the BU Home Mission appeal, being 25% of the amount raised by London churches in the previous year. This pays for working expenses, committee work, District Ministers' honoraria and special projects.

The LBA shares its office and personnel with the London Baptist Property Board Limited. Joint expenditure is apportioned on an equitable basis.

Designated Funds

Legacy Reserve Fund

Unrestricted legacies are placed into this fund and are used for purposes that the Board decides.

Hatton Road Manse Fund

In 2003 Hatton Road Baptist Church, Bedford closed. Under the terms of the Ultimate Trust the Association was given discretion as to the use of the sale proceeds. The property was sold in 2004 and it has been decided to use the sale proceeds to purchase a property for one of the Regional Ministers. Any surplus will be divided between the Baptist Strategy Building Scheme and the General Reserve of the London Baptist Property Board Ltd.

Thames Gateway Project

This fund has received donations made by member churches in response to an appeal made in connection with plans to celebrate the third Christian millennium. The proceeds have been used to purchase a property in Britannia village, part of the newly developed Thames Gateway area. The property is used as a base for church planting.

Restricted Funds

Seventeen Restricted funds are operated, four of which include endowment funds. These are as follows:

Barnabas Fund (formerly the Aid Fund)

This fund was created to enable gifts to be made to churches in particular need for any aspect of their work. It was renamed to signify its ministry of encouragement.

J W Beaumont Trust Fund (an endowment fund)

This fund was established to comply with the wishes of the executors of the estate of the late solicitor to the LBA, J W Beaumont. Part of the fund is invested in £3,135 7½% Treasury Stock 2006 which produces an income of £235 per annum. The main purpose is to assist lay persons with Christian training expenses.

John Bradford Trust

This enables permanent loans to be made from the capital, with repayment at interest if the church closes or leaves the Association, and term interest-free loans to be made from income. To qualify a church must be within a London Borough.

Church Extension and Reconstruction Fund

This fund was set up to help, by grant or interest-free loan, churches needing to carry out urgent building maintenance. Income is derived from donations given by individuals and churches, and from grants from the London Baptist Property Board Limited.

Gwennap's Charity Trust (an endowment fund)

This fund originated with a bequest from Thomas Gwennap in favour of churches which are now no longer in existence. By order of the Charity Commissioners, the income is currently applied to Westbourne Park Baptist Church for poor relief and for education. The fund is managed jointly by that church and the LBA.

THE LONDON BAPTIST ASSOCIATION

GENERAL INFORMATION (continued)

Compassionate Trust Fund

This fund is financed by appeals to member churches to enable help to be given to ministers and their dependants in special need.

Hounslow Baptist Church Reserve

This fund was created upon the closure of Broadway Baptist Church, Hounslow in 1978. Loans and grants are made from the fund for the support of ministry (in its widest sense) in the Greater London area.

Interest Assistance Fund

This fund was established to help certain churches that have loans from the London Baptist Property Board Limited. The Board is obliged to charge interest on loans to all churches alike, and this fund is to help churches urgently needing loans who would not otherwise be able to afford the interest.

Manse Trust Fund

This fund was created in 1984 when the Manse of Nunhead Baptist Church was sold, the church having closed in 1965. Additional funds were added during 1992 in connection with the former Haydon Park church in Wimbledon. Loans have been made to churches to help with the purchase of their manses. These loans are repayable with capital appreciation relating to house values at the time of repayment.

New Century Fund

This fund was set up in the LBA centenary year in 1965. From it, interest-free loans and grants are made to Inner London churches, both for building work and to support personnel engaged in Christian mission.

T W Philpot Trust

This derives from the will of the late Thomas W A Philpot and is for making interest-free loans to churches which are erecting new chapels. Such loans will normally amount to no more than 25% of the cost unless the Board of Directors agrees otherwise. The initial capital sum became available in 1956 and a further legacy of properties and investments has since become available following the cessation of a life interest.

Association Annual Appeal Fund

As decided by the board the fund previously known as the Presidents fund was converted into the Association Annual Appeal fund. This fund raises money for specific churches and projects each year.

Roberts Memorial Fund

This fund derives from a Will Trust of the late P O Roberts and is for making interest-free loans for church building in London.

Sites Fund

This fund was established to provide loans to facilitate the acquisition of church sites. Interest is charged at 2% per annum. Loans are repayable by negotiation.

Turtle Trust (an endowment fund)

This is a Will Trust of the late Samuel Thomas Turtle to provide interest-free loans to facilitate the acquisition of sites for churches. Loans are repayable only if the church closes. The loan is a final charge on the proceeds of sale.

Valley Mission Fund

This fund derives from the sale of Valley Mission, Biggin Hill. Under the ultimate trust, the income from the invested proceeds (2,141.82 Units in the COIF Charities Investment Fund and £25,146.94 6¼% Treasury Stock 2010) is available for evangelistic work in West Kent as decided by the Board of Directors.

Walworth Trust (an endowment fund)

This fund originated in 1971 with the closure and sale of the Walworth road Baptist Church. £12,000 is invested in £18,942.75 5½% Treasury Stock 2008/12, yielding £1,042 per annum. The income is used for "Experimental Ministry" in Inner London.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
THE LONDON BAPTIST ASSOCIATION

We have audited the financial statements on pages 7 to 22 which have been prepared under the historical cost convention (as modified by the revaluation of certain fixed assets) and the accounting policies set out on page 12.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's members 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described on page 3, the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and statutory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Report of the Directors is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with Auditing Standards 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 directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company'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 financial statements give a true and fair view of the state of the group and company's affairs at 31st December 2004 and of its incoming resources and application of resources including its income and expenditure for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

5 Robin Hood Lane
Sutton
Surrey
SM1 2SW

Jacob Cavenagh & Skeet
Chartered Accountants
and Registered Auditor

2005

THE LONDON BAPTIST ASSOCIATION

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST DECEMBER 2004**

Income and expenditure	Note	2004				Total £	2003 Total £
		General Fund £	Designated Funds £	Un- restricted Funds £	Restricted Endowment Funds £		
Incoming resources							
Operating activities:							
Contributions receivable		207,217	231,049	438,266	5,421	443,687	143,936
Interest on loans and deposits		386,220	2,615	388,835	23,192	412,027	287,495
Grants received:							
Baptist Union – Home Mission		-	-	-	-	-	6,000
– re Regional Ministers		25,367	-	25,367	-	25,367	42,887
Investment income		10,524	-	10,524	33,784	44,308	39,929
Rental income		53,868	-	53,868	6,234	60,102	59,327
Regional ministers preaching fees		7,684	-	7,684	-	7,684	-
Sundry income		3,647	-	3,647	-	3,647	9,320
Gain on disposal of fixed asset		-	-	-	-	-	-
Total incoming resources		<u>694,527</u>	<u>233,664</u>	<u>928,191</u>	<u>68,631</u>	<u>996,822</u>	<u>588,894</u>
Resources expended							
Charitable expenditure:							
Grants	9	4,500	-	4,500	13,652	18,152	44,670
Baptist Union Home Mission:							
Contributions from churches to the Association		44,181	-	44,181	-	44,181	44,504
Cost of operating activities:							
Loan interest paid		-	-	-	-	-	323
Interest payable on deposits		281,793	-	281,793	-	281,793	186,159
Support costs	10/11	380,701	650	381,351	6,921	388,272	292,626
Auditors' remuneration		10,992	-	10,992	-	10,992	11,602
Total resources expended		<u>722,167</u>	<u>650</u>	<u>722,817</u>	<u>20,573</u>	<u>743,390</u>	<u>579,884</u>
Net incoming resources before transfers							
		(27,640)	233,014	205,374	48,058	253,432	9,010
Transfer between funds		(234,166)	219,391	(14,775)	14,775	-	-
Net incoming resources before revaluations and investment asset disposals							
		(261,806)	452,405	190,599	62,833	253,432	9,010
Gain and losses on revaluations and disposals of investment assets		108,604	-	108,604	44,055	152,659	130,174
Net movement in funds		(153,202)	452,405	299,203	106,888	406,091	139,184
Balances brought forward from 2004		2,547,393	265,569	2,812,962	2,500,413	5,313,375	5,174,191
Balances carried forward to 2005		<u>2,394,191</u>	<u>717,974</u>	<u>3,112,165</u>	<u>2,607,301</u>	<u>5,719,466</u>	<u>5,313,375</u>

THE LONDON BAPTIST ASSOCIATION

**CONSOLIDATED BALANCE SHEET
AS AT 31ST DECEMBER 2004**

	<i>Note</i>	2004		2003	
		£	£	£	£
Fixed assets					
Tangible fixed assets	2a		918,567		872,143
Investments	3a		3,181,107		3,243,781
Loans to churches	4		<u>610,758</u>		<u>680,869</u>
			4,710,432		4,796,793
Current assets					
Debtors (£1,508,560 recoverable after more than one year)	5a	1,785,130		1,535,738	
Short term deposits		7,486,155		6,523,244	
Cash held by stockbrokers		41,917		24,296	
Cash at bank and in hand		<u>10,039</u>		<u>22,944</u>	
		9,323,241		8,106,222	
Creditors: Amounts falling due within one year	6		<u>8,314,207</u>		<u>7,589,640</u>
Net current assets			<u>1,009,034</u>		<u>516,582</u>
Net assets			<u>5,719,466</u>		<u>5,313,375</u>
Restricted funds					
Realised funds		2,614,937		2,547,571	
Revaluation reserve		<u>(7,636)</u>		<u>(47,158)</u>	
			2,607,301		2,500,413
Unrestricted funds					
Realised funds - General reserve		360,677		366,379	
- Other funds		2,110,756		1,700,764	
Revaluation reserve		<u>640,732</u>		<u>745,819</u>	
			<u>3,112,165</u>		<u>2,812,962</u>
			<u>5,719,466</u>		<u>5,313,375</u>

Approved by the Board of Directors on 22 March 2005 and signed on their behalf:

Moderator

Hon Treasurer

THE LONDON BAPTIST ASSOCIATION

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE ENDED 31ST DECEMBER 2004**

	<u>2004</u>					<u>2003</u>	
	<i>General Fund</i>	<i>Designated Funds</i>	<i>Unrestricted Funds</i>	<i>Restricted and Endow- ment Funds</i>	<i>Total</i>	<i>Total</i>	
Income and expenditure	<i>Note</i>	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>	
Incoming resources							
Operating activities:							
Contributions receivable		207,217	231,049	438,266	5,421	443,687	143,936
Interest on loans and deposits with London Baptist Property Board		976	2,615	3,591	23,192	26,783	29,269
Grants received:							
Baptist Union - Home Mission		-	-	-	-	-	6,000
- re Regional Ministers		25,367	-	25,367	-	25,367	42,887
London Baptist Property Board		18,000	-	18,000	18,000	36,000	32,400
Investment income		10,524	-	10,524	33,784	44,308	39,929
Rental income		-	-	-	6,234	6,234	6,168
Regional Ministers preaching fees		7,684	-	7,684	-	7,684	-
Sundry income		1,529	-	1,529	-	1,529	4,943
Total incoming resources		<u>271,297</u>	<u>233,664</u>	<u>504,961</u>	<u>86,631</u>	<u>591,592</u>	<u>305,532</u>
Resources expended							
Charitable expenditure:							
Grants	9	-	-	-	13,652	13,652	40,670
Baptist Union Home Mission:							
Contributions from churches to the Association		44,181	-	44,181	-	44,181	44,504
Cost of operating activities:							
Loan interest paid to London Baptist Property Board		1,349	-	1,349	3,225	4,574	4,109
Support costs	10/11	270,860	150	271,010	6,921	277,931	186,753
Auditors' remuneration		6,205	-	6,205	-	6,205	8,462
Total resources expended		<u>322,595</u>	<u>150</u>	<u>322,745</u>	<u>23,798</u>	<u>346,543</u>	<u>284,498</u>
Net incoming resources							
Before transfers	(	51,298)	233,514	182,216	62,833	245,049	21,034
Transfer between funds		-	-	-	-	-	-
Net incoming resources before revaluations and investment asset disposals							
	(	51,298)	233,514	182,216	62,833	245,049	21,034
Gain and losses on revaluations and disposals of investment assets		12,914	-	12,914	44,055	56,969	111,804
Net movement in funds	(	38,384)	233,514	195,130	106,888	302,018	132,838
Balances brought forward from 2004		<u>1,768,575</u>	<u>265,569</u>	<u>2,034,144</u>	<u>2,500,413</u>	<u>4,534,557</u>	<u>4,401,719</u>
Balances carried forward to 2005		<u>1,730,191</u>	<u>499,083</u>	<u>2,229,274</u>	<u>2,607,301</u>	<u>4,836,575</u>	<u>4,534,557</u>

THE LONDON BAPTIST ASSOCIATION

COMPANY BALANCE SHEET
AT 31ST DECEMBER 2004

	Note	2004				2003	
		General Fund £	Designated Funds £	Total Un-restricted Funds £	Restricted and Endowment Funds £	Total £	Total £
Fixed assets							
Tangible fixed assets	2b	117,917	321,932	439,849	-	439,849	396,592
Investments	3b	1,639,741	-	1,639,741	1,143,214	2,782,955	2,721,517
Loans to churches	4	-	470	470	610,288	610,758	680,869
		<u>1,757,658</u>	<u>322,402</u>	<u>2,080,060</u>	<u>1,753,502</u>	<u>3,833,562</u>	<u>3,798,978</u>
Current assets							
Deposits with the London Baptist Property Board Limited		28,794	262,465	291,259	760,426	1,051,685	791,138
Loan to Ministers' widows	5b	-	-	-	60,000	60,000	60,000
Sundry Debtors		15,174	-	15,174	-	15,174	12,166
Cash held by stockbrokers		8,618	-	8,618	33,299	41,917	24,296
Cash at bank and in hand		10,039	-	10,039	-	10,039	22,944
		<u>62,625</u>	<u>262,465</u>	<u>325,090</u>	<u>853,725</u>	<u>1,178,815</u>	<u>910,544</u>
Creditors: Amounts falling due within one year							
Sundry creditors		(16,260)	-	(16,260)	(109)	(16,369)	(59,583)
Inter-fund balances		(49,965)	194	(49,771)	49,771	-	-
		<u>(66,225)</u>	<u>194</u>	<u>(66,031)</u>	<u>49,662</u>	<u>(16,369)</u>	<u>(59,683)</u>
Net current assets		<u>(3,600)</u>	<u>262,659</u>	<u>259,059</u>	<u>903,387</u>	<u>1,162,446</u>	<u>850,961</u>
Total assets less current liabilities		<u>1,754,058</u>	<u>585,061</u>	<u>2,339,119</u>	<u>2,656,889</u>	<u>4,996,008</u>	<u>4,649,939</u>
Liabilities falling due after more than one year:							
Loans from the London Baptist Property Board Limited		(23,867)	(85,978)	(109,845)	(49,588)	(159,433)	(115,382)
Net assets		<u>1,730,191</u>	<u>499,083</u>	<u>2,229,274</u>	<u>2,607,301</u>	<u>4,836,575</u>	<u>4,534,557</u>
Represented by funds:							
General reserve	13	360,677	-	360,677	-	360,677	366,379
Revaluation reserve	15	4,263	131,403	135,666	12,926	148,592	70,876
Fund balances	7/8	1,365,251	367,680	1,732,931	2,594,375	4,327,306	4,097,302
		<u>1,730,191</u>	<u>499,083</u>	<u>2,229,274</u>	<u>2,607,301</u>	<u>4,836,575</u>	<u>4,534,557</u>

Approved by the Board of Directors on 22 March 2005 and signed on their behalf:

Moderator

Hon Treasurer

THE LONDON BAPTIST ASSOCIATION

**SUMMARY INCOME AND EXPENDITURE ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER 2004**

	Group	2004	Group	2003
	£	Company	£	Company
		£		£
Gross income of continuing activities	996,822	591,592	588,894	305,532
Total expenditure of continuing activities	<u>743,390</u>	<u>346,543</u>	<u>579,884</u>	<u>284,498</u>
Net surplus for the period before asset disposals	253,432	245,049	9,010	21,034
Surplus on disposal of fixed assets and investments	<u>74,951</u>	<u>149</u>	<u>219,893</u>	<u>14,162</u>
Surplus for the year/period	328,383	245,198	228,903	35,196
Transfer (to)/from revaluation reserve	123,694	(20,896)	(118,347)	93,260
Transfer to general reserve	5,702	5,702	(115,214)	(115,214)
Transfer to general investment and contingencies reserve	(219,391)	-	(4,531)	-
Retained (deficit)/surplus for the year	238,388	230,004	(9,189)	13,242
Surplus brought forward	<u>4,321,546</u>	<u>4,347,254</u>	<u>4,330,735</u>	<u>4,334,012</u>
Surplus carried forward	<u>4,559,934</u>	<u>4,577,258</u>	<u>4,321,546</u>	<u>4,347,254</u>

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	Group	2004	Group	2003
	£	Company	£	Company
		£		£
Surplus for the year	328,383	245,198	228,903	35,196
Unrealised gains on investment and fixed asset revaluation	<u>77,708</u>	<u>56,820</u>	(89,719)	<u>97,642</u>
Total gains and losses recognised in the year	<u>406,091</u>	<u>302,018</u>	<u>139,184</u>	<u>132,838</u>

THE LONDON BAPTIST ASSOCIATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 2004

1 ACCOUNTING POLICIES

1.1 Accounting convention

The accounts are prepared under the historical cost convention (as modified by the revaluation of certain fixed assets), except as noted in 1.7 below.

The accounts include the results of the company's subsidiary, The London Baptist Property Board Limited.

1.2 Accounting format

The format of the financial statements accords with recommendations of "Accounting and Reporting by Charities" issued by the Charity Commissioners for England and Wales. The accounts comply with the Charities Act 1993 and the Companies Act 1985.

1.3 Unrestricted funds

Unrestricted funds comprise the General fund and Designated funds. Designated funds represent monies which have been allocated for specific purposes by the association. All Unrestricted fund income is accounted for at the time of receipt and expenditure accounted for when incurred.

1.4 Restricted funds

These are funds subject to specific conditions as to their use which are binding on the Association. All Restricted fund income is accounted for at the time of receipt and expenditure accounted for when incurred. Income not expended in the year of receipt is carried forward until it is fully committed.

1.5 Endowment funds

Endowment funds represent the permanent capital of certain Restricted funds.

1.6 Freehold properties

Freehold and leasehold properties, whether shown as tangible fixed assets or investments, have been included at open market value. No depreciation has been charged on those properties held as tangible fixed assets on the basis that the residual value of the properties is so high as to render depreciation immaterial.

1.7 Depreciation

No depreciation is provided in respect of investment properties in accordance with Statement of Standard Accounting Practice 19. To this extent, there is a departure from statutory requirements for fixed assets to be depreciated over their useful economic lives, but is considered necessary in order to present a true and fair view. Depreciation of approximately £10,000 would have been charged in the year.

1.8 Computer equipment

This is shown at cost and depreciated over 4 years. Equipment with a cost of over £250 is capitalised.

1.9 Pension schemes

The company contributes to defined contribution pension schemes. The assets of the schemes are held separately from those of the company and contributions are accounted for when due.

1.10 Investments

Quoted investments are stated at market value. An unquoted investment is stated at a valuation of the Finance Committee.

THE LONDON BAPTIST ASSOCIATION

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER 2004 (continued)

2a TANGIBLE FIXED ASSETS – GROUP	<i>Freehold property</i> £	<i>Long leasehold</i> £	<i>Computer equipment</i> £	<i>Total</i> £
Cost or valuation				
At 1st January 2004	746,592	125,000	2,544	874,136
Additions	43,257	-	3,965	47,222
Disposals	-	-	-	-
Revaluation	-	-	-	-
At 31st December 2004	<u>789,849</u>	<u>125,000</u>	<u>6,509</u>	<u>921,358</u>
Depreciation				
At 1st January 2004	-	-	1,993	1,993
Charge for year	-	-	798	798
At 31st December 2004	<u>-</u>	<u>-</u>	<u>2,791</u>	<u>2,791</u>
Net book value				
At 31st December 2004	<u>789,849</u>	<u>125,000</u>	<u>3,718</u>	<u>918,567</u>
At 31st December 2003	<u>746,592</u>	<u>125,000</u>	<u>551</u>	<u>872,143</u>
Historical cost for land and buildings included at valuation:				
At 31st December 2004	<u>613,120</u>	<u>38,000</u>		<u>651,120</u>
At 31st December 2003	<u>569,863</u>	<u>38,000</u>		<u>607,863</u>

The properties were last valued by the directors at 31st December 2002 on the basis of open market value. The valuations were made on the basis of information provided by Biscoe Craig Hall. The directors consider that the retained valuations have not materially changed since 31st December 2002.

2b TANGIBLE FIXED ASSETS – COMPANY	<i>Freehold property</i> £
At 1st January 2004	396,592
Additions	<u>43,257</u>
At 31st December 2004	<u>439,849</u>

THE LONDON BAPTIST ASSOCIATION

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER 2004 (continued)

3a **INVESTMENTS – GROUP**

	<i>Listed investments</i> £	<i>Other investments</i> £	<i>Freehold investment properties</i> £	<i>Total</i> £
Valuation				
At 1st January 2004	1,048,025	147,469	2,048,287	3,243,781
Additions	199,413	-	-	199,413
Disposals	(194,795)	-	(145,000)	(339,795)
Revaluation (deficit)/surplus	<u>56,820</u>	<u>20,888</u>	<u>-</u>	<u>77,708</u>
At 31st December 2004	<u>1,109,463</u>	<u>168,357</u>	<u>1,903,287</u>	<u>3,181,107</u>
Historical cost				
As at 31st December 2004	<u>1,191,273</u>	<u>149,806</u>	<u>1,420,117</u>	<u>2,761,196</u>
As at 31st December 2003	<u>1,207,552</u>	<u>149,806</u>	<u>1,451,492</u>	<u>2,808,850</u>

The properties were last valued by the directors at 31st December 2002 on the basis of open market value. The valuations were made on the basis of information provided, according to the locality of the properties, by: Athawes Son & Co, Biscoe Craig Hall, Cartwright Mason and Caxtons Commercial Limited who are all professional surveyors.

All assets are held in the UK.

The listed investment portfolio comprises investments in British Government Stocks, UK quoted and unquoted equities and unit trust investments. There are no material investments comprising over 5% of the value of the total.

3b **INVESTMENTS – COMPANY**

General Fund	<i>Shares in LBPB</i> £	<i>Listed Investments</i> £	<i>Freehold investment properties</i> £	<i>Total</i> £
Market value or valuation at 1st January 2004	1,379,330	221,029	29,793	1,630,152
Additions	-	43,543	-	43,543
Disposals	-	(47,037)	-	(47,037)
Net unrealised investment (losses)/gains	-	<u>13,083</u>	-	<u>13,083</u>
Market value or valuation at 31st December 2004	<u>1,379,330</u>	<u>230,618</u>	<u>29,793</u>	<u>1,639,741</u>
Historical cost or probate value at 31st December 2004	<u>1,379,330</u>	<u>203,484</u>	<u>29,793</u>	<u>1,621,607</u>

The company holds 100% of the 'A' shares in its subsidiary, The London Baptist Property Board Limited.

THE LONDON BAPTIST ASSOCIATION

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER 2004 (continued)

3b **INVESTMENTS – COMPANY** (continued)

Restricted and Endowment Funds	Listed Investments £	Freehold investment properties £	Total £
Market value or valuation at 1st January 2004	826,995	264,370	1,091,365
Additions	155,870	-	155,870
Disposals	(147,758)	-	(147,758)
Net unrealised investment gains	43,737	-	43,737
Market value or valuation at 31st December 2004	<u>878,844</u>	<u>264,370</u>	<u>1,143,214</u>
Historical cost or probate value at 31st December 2004	<u>814,687</u>	<u>165,370</u>	<u>980,057</u>

4 **LOANS TO CHURCHES – GROUP AND COMPANY**

	Designated Fund £	Restricted and Endowment Funds £	Total £
Permanent loans	470	193,454	193,924
Fixed loans	-	416,834	416,834
	<u>470</u>	<u>610,288</u>	<u>610,758</u>

Permanent loans are repayable on closure, withdrawal or sale of the site and are in most cases interest-free. Fixed-term loans are interest-free. These loans are predominantly payable after more than one year.

5a **DEBTORS – GROUP**

	2004 £	2003 £
Advances and interest accrued (£1,508,560 recoverable after more than one year)	1,623,714	1,394,999
Loans to Ministers' widows	60,000	60,000
Prepayments and sundry debtors	101,416	80,739
Accrued income	-	-
	<u>1,785,130</u>	<u>1,535,738</u>

5b **DEBTORS – COMPANY**

The Loans to Ministers' widows are repayable on the sale of the houses they were used to purchase. There is no interest payable on these loans.

6 **CREDITORS – GROUP**

	2004 £	2003 £
Amounts falling due within one year		
7 day notice deposits and interest accrued	8,284,455	7,522,981
Sundry creditor accruals	29,752	66,659
	<u>8,314,207</u>	<u>7,589,640</u>

THE LONDON BAPTIST ASSOCIATION

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER 2004 (continued)

7 UNRESTRICTED FUNDS	Designated Funds					Total Designated Funds	General Fund	General Reserve	Total Unrestricted Funds
	International Fund	Hatton Rd Manse Fund	Legacy Reserve Fund	Mission Fund	Thames Gateway Project				
	£	£	£	£	£	£	£	£	
INCOMING RESOURCES									
Operating activities:									
Contributions receivable	-	231,049	-	-	-	231,049	207,217	-	438,266
Interest on loans and deposit accounts	-	1,591	566	458	-	2,615	976	-	3,591
Grants received:									
Baptist Union re Regional Minister	-	-	-	-	-	-	-	-	-
Baptist Union Home Mission	-	-	-	-	-	-	25,367	-	25,367
London Baptist Property Board Limited	-	-	-	-	-	-	18,000	-	18,000
Investment income	-	-	-	-	-	-	10,524	-	10,524
Regional Ministers Preaching fees	-	-	-	-	-	-	7,684	-	7,684
Sundry income	-	-	-	-	-	-	1,529	-	1,529
Total incoming resources	-	<u>232,640</u>	<u>566</u>	<u>458</u>	-	<u>233,664</u>	<u>271,297</u>	-	<u>504,961</u>
Less: RESOURCES EXPENDED									
Charitable expenditure:									
Baptist Union Home Mission:									
Contributions from churches and Individuals	-	-	-	-	-	-	44,181	-	44,181
Cost of operating activities:									
Loan interest paid	-	-	-	-	-	-	1,349	-	1,349
Advice and support to member churches	-	150	-	-	-	150	270,860	-	271,010
Management expenses:									
Auditors' remuneration	-	-	-	-	-	-	6,205	-	6,205
Total resources expended	-	<u>150</u>	-	-	-	<u>150</u>	<u>322,595</u>	-	<u>322,745</u>
Net incoming resources		232,490	566	458	-	233,514	(51,298)	-	182,216
Gains on investment revaluations and disposals	-	-	-	-	-	-	12,914	-	12,914
Net movement in funds	-	232,490	566	458	-	233,514	(38,384)	-	195,130
Appropriation to General Fund	-	-	-	-	-	-	-	-	-
Transfer to General Reserve	-	-	-	-	-	-	5,702	(5,702)	-
Balance at 1st January 2004	<u>161</u>	-	<u>17,824</u>	<u>11,597</u>	<u>235,987</u>	<u>265,569</u>	<u>1,402,196</u>	<u>366,379</u>	<u>2,034,144</u>
Balance at 31st December 2004	<u>161</u>	<u>232,490</u>	<u>18,390</u>	<u>12,055</u>	<u>235,987</u>	<u>499,083</u>	<u>1,369,514</u>	<u>360,677</u>	<u>2,229,274</u>

THE LONDON BAPTIST ASSOCIATION

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER 2004 (continued)

7 **UNRESTRICTED FUNDS** (continued)

	<i>Designated Funds</i>					<i>Total Designated Funds</i>	<i>General Fund</i>	<i>General Reserve</i>	<i>Total Unrestricted Funds</i>
	<i>International Fund</i>	<i>Hatton Rd Reserve Fund</i>	<i>Legacy Reserve Fund</i>	<i>Mission Fund</i>	<i>Thames Gateway Project</i>				
	£	£	£	£	£	£	£	£	
Represented by:									
Tangible fixed assets	-	-	-	-	321,932	321,932	117,917	-	439,849
Investments	-	-	-	-	-	-	1,279,064	360,677	1,639,741
Loan to church	-	-	470	-	-	470	-	-	470
Deposits with LBPB Limited	-	232,490	17,920	12,055	-	262,465	28,794	-	291,259
Sundry debtors	-	-	-	-	-	-	15,174	-	15,174
Cash with stockbrokers	-	-	-	-	-	-	8,618	-	8,618
Cash at bank and in hand	-	-	-	-	-	-	10,039	-	10,039
Sundry creditors	-	-	-	-	-	-	(16,260)	-	(16,260)
Balance with General Fund	161	-	-	-	33	194	(49,965)	-	(49,771)
Loan from LBPB Limited	-	-	-	-	(85,978)	(85,978)	(23,867)	-	(109,845)
	<u>161</u>	<u>232,490</u>	<u>18,390</u>	<u>12,055</u>	<u>235,987</u>	<u>499,083</u>	<u>1,369,514</u>	<u>360,677</u>	<u>2,229,274</u>

THE LONDON BAPTIST ASSOCIATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 2004 (continued)

8 RESTRICTED AND ENDOWMENT FUNDS

	J W Beau- Barnabas Fund £	mont Trust Fund £	John Bradford Trust £	Ch Extn Reconstrn Fund £	Compass-Gwennap's ionate Trust Fund £	Charity Trust £	Hours Bap. Ch. Reserve £	Interest Assistance Fund £	Manse Trust Fund £	New Century Fund £	T W Philpot Trust £	Annual Appeal Fund £	Roberts Memorial Fund £	Sites Fund £	Turtle Trust £	Valley Mission Fund £	Walworth Trust £	TOTAL £
Incoming resources																		
Contributions receivable	209	-	-	-	1,671	-	-	-	-	-	-	3,541	-	-	-	-	-	5,421
Interest on loans and deposits	211	60	9,842	562	131	30	327	656	41	152	7,704	120	1,230	193	82	1,315	536	23,192
Grants received from LBPB Limited	-	-	-	10,000	3,000	-	-	-	-	-	-	5,000	-	-	-	-	-	18,000
Investment income	358	234	2,262	-	343	647	1,053	-	1	-	25,576	-	14	-	-	2,254	1,042	33,784
Rental income	-	-	-	-	-	-	-	-	-	-	6,234	-	-	-	-	-	-	6,234
Total incoming resources	778	294	12,104	10,562	5,145	677	1,380	656	42	152	39,514	8,661	1,244	193	82	3,569	1,578	86,631
Less: Resources expended																		
Charitable expenditure:																		
Grants	1,000	-	6,026	-	3,100	-	1,026	-	-	-	-	-	-	-	-	2,000	500	13,652
Loan interest paid	-	-	-	-	2,821	-	-	404	-	-	-	-	-	-	-	-	-	3,225
Advice and support to member churches	40	14	605	528	257	34	70	33	2	7	4,566	433	62	10	4	178	78	6,921
Total resources expended	1,040	14	6,631	528	6,178	34	1,096	437	2	7	4,566	433	62	10	4	2,178	578	23,798
Net incoming resources	(262)	280	5,473	10,034	(1,033)	643	284	219	40	145	34,948	8,228	1,182	183	78	1,391	1,000	62,833
Other recognised gains and losses	(17)	(41)	5,276	-	911	1,629	5	-	2	-	36,325	-	18	-	-	(4)	(49)	44,055
Net movement in funds	(279)	239	10,749	10,034	(122)	2,272	289	219	42	145	71,273	8,228	1,200	183	78	1,387	951	106,888
Balance at 1st January 2004	13,137	2,061	529,279	44,106	20,403	11,850	37,732	20,207	204,067	29,135	1,304,992	267	112,870	25,902	7,860	83,479	20,381	2,467,728
Balances carried forward at 31st December 2004	12,858	2,300	540,028	54,140	20,281	14,122	38,021	20,426	204,109	29,280	1,376,265	8,495	114,070	26,085	7,938	84,866	21,332	2,574,616
ENDOWMENT FUNDS	-	3,087	-	-	-	1,055	-	-	-	-	-	-	-	-	16,704	-	11,839	32,685
	<u>12,858</u>	<u>5,387</u>	<u>540,028</u>	<u>54,140</u>	<u>20,281</u>	<u>15,177</u>	<u>38,021</u>	<u>20,426</u>	<u>204,109</u>	<u>29,280</u>	<u>1,376,265</u>	<u>8,495</u>	<u>114,070</u>	<u>26,085</u>	<u>24,642</u>	<u>84,866</u>	<u>33,171</u>	<u>2,607,301</u>
Represented by:																		
Investment properties	-	-	-	-	-	-	-	-	114,370	-	150,000	-	-	-	-	-	-	264,370
Investments	6,699	3,326	47,766	-	7,346	13,724	27,830	-	24	-	706,831	-	315	-	-	45,461	19,522	878,844
Loans to churches	-	-	108,652	32,249	-	-	-	-	87,050	24,500	228,198	-	87,795	20,000	21,844	-	-	610,288
	<u>6,699</u>	<u>3,326</u>	<u>156,418</u>	<u>32,249</u>	<u>7,346</u>	<u>13,724</u>	<u>27,830</u>	<u>-</u>	<u>201,444</u>	<u>24,500</u>	<u>1,085,029</u>	<u>-</u>	<u>88,110</u>	<u>20,000</u>	<u>21,844</u>	<u>45,461</u>	<u>19,522</u>	<u>1,753,502</u>
Current assets																		
Deposits with LBPB Limited	6,198	2,076	330,881	21,869	2,650	1,400	10,260	20,568	2,667	4,787	259,913	8,928	26,022	6,095	2,802	39,584	13,726	760,426
Loans to Ministers' widows	-	-	-	-	60,000	-	-	-	-	-	-	-	-	-	-	-	-	60,000
Sundry debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash held by stockbrokers	-	-	-	-	-	-	-	-	-	-	33,299	-	-	-	-	-	-	33,299
	<u>6,198</u>	<u>2,076</u>	<u>330,881</u>	<u>21,869</u>	<u>62,650</u>	<u>1,400</u>	<u>10,260</u>	<u>20,568</u>	<u>2,667</u>	<u>4,787</u>	<u>293,212</u>	<u>8,928</u>	<u>26,022</u>	<u>6,095</u>	<u>2,802</u>	<u>39,584</u>	<u>13,726</u>	<u>853,725</u>
Current liabilities																		
Sundry creditors	-	-	-	-	-	-	-	(109)	-	-	-	-	-	-	-	-	-	(109)
Inter-fund balances	(39)	(15)	52,729	22	(127)	53	(69)	(33)	(2)	(7)	(1,976)	(433)	(62)	(10)	(4)	(179)	(77)	49,771
	<u>(39)</u>	<u>(15)</u>	<u>52,729</u>	<u>22</u>	<u>(127)</u>	<u>53</u>	<u>(69)</u>	<u>(142)</u>	<u>(2)</u>	<u>(7)</u>	<u>(1,976)</u>	<u>(433)</u>	<u>(62)</u>	<u>(10)</u>	<u>(4)</u>	<u>(179)</u>	<u>(77)</u>	<u>49,662</u>
Net current assets	6,159	2,061	383,610	21,891	62,523	1,453	10,191	20,426	2,665	4,780	291,236	8,495	25,960	6,085	2,798	39,405	13,649	903,387
Total assets																		
less current liabilities	12,858	5,387	540,028	54,140	69,869	15,177	38,021	20,426	204,109	29,280	1,376,265	8,495	114,070	26,085	24,642	84,866	33,171	2,656,889
Liabilities falling due after more than one year:																		
Loans from churches	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loans from LBPB Limited	-	-	-	-	(49,588)	-	-	-	-	-	-	-	-	-	-	-	-	(49,588)
	<u>12,858</u>	<u>5,387</u>	<u>540,028</u>	<u>54,140</u>	<u>20,281</u>	<u>15,177</u>	<u>38,021</u>	<u>20,426</u>	<u>204,109</u>	<u>29,280</u>	<u>1,376,265</u>	<u>8,495</u>	<u>114,070</u>	<u>26,085</u>	<u>24,642</u>	<u>84,866</u>	<u>33,171</u>	<u>2,607,301</u>

THE LONDON BAPTIST ASSOCIATION

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER 2004 (continued)

9	GRANTS	2004				2003			
		No	Group £	No	Company £	No	Group £	No	Company £
	Grants paid in the period:								
	Organisations:								
	Baptist Union Home Mission	1	4,500	-	-	1	4,000	-	-
	Churches re Buildings	1	1,000	1	1,000	5	16,294	5	16,294
	Churches re support of ministry	1	500	1	500	1	3,000	1	3,000
	Other grants to churches and organisations	4	<u>9,052</u>	4	<u>9,052</u>	6	<u>17,222</u>	6	<u>17,222</u>
			15,052		10,552		40,516		36,516
	Individuals:	53	<u>3,100</u>	53	<u>3,100</u>	50	<u>4,154</u>	50	<u>4,154</u>
			<u>18,152</u>		<u>13,652</u>		<u>44,670</u>		<u>40,670</u>

10 **ADVICE AND SUPPORT TO MEMBER CHURCHES**

	2004		2003	
	Group £	Company £	Group £	Company £
Employment costs:				
Salaries	186,424	135,950	141,490	93,351
National insurance – employer's	11,211	11,211	7,241	7,241
Pension contributions – employer's	<u>14,296</u>	<u>14,296</u>	<u>10,352</u>	<u>10,352</u>
	211,931	161,457	159,083	110,944
Printing and stationery	8,582	6,043	6,571	4,137
Postage and telephone	7,491	6,263	6,997	5,649
Premises costs	65,181	47,644	39,748	21,746
Professional fees	34,287	-	32,007	-
District ministers	17,959	17,959	16,692	16,692
Quinquennial survey	500	-	-	-
Committee and conference expenses	7,320	7,320	6,156	6,156
Computer and office equipment	5,520	3,665	5,465	3,233
Travel expenses	6,307	6,042	424	282
Sundry expenses	14,108	13,382	10,137	9,397
Subscriptions and donations (Note 11)	8,156	8,156	8,517	8,517
Bank charges	131	-	95	-
Depreciation	<u>799</u>	-	<u>734</u>	-
	<u>388,272</u>	<u>277,931</u>	<u>292,626</u>	<u>186,753</u>

The average number of employees during the year was 24 (2003:23)

No employee earned £50,000 or more during the year.

THE LONDON BAPTIST ASSOCIATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 2004 (continued)

11	SUBSCRIPTIONS AND DONATIONS	2004	2003
		£	£
	Baptist Union of Great Britain	885	860
	Christian Research Association	56	54
	Evangelical Alliance	70	70
	London Church Leaders' Secretary	2,160	2,100
	All Nations Christian College	-	500
	Churches together in South London	1,750	1,750
	Churches together in North London	100	100
	Churches together in Northwest London	120	120
	Black and Asians Ministers' Forum	550	550
	Churchlink in West London	80	80
	South London Industrial Mission	1,385	1,333
	Free Church Higher Education Group	100	100
	Spurgeon's College	900	900
	Other	-	-
		<u>8,156</u>	<u>8,517</u>

12 LIABILITIES FALLING DUE AFTER MORE THAN ONE YEAR

Repayment of the loans from the London Baptist Property Board Limited is only due on disposal of the relevant properties.

Interest is payable at the current rate charged by the London Baptist Property Board Limited.

13	GENERAL RESERVE (GENERAL FUND)	2004	2003
		£	£
	Proceeds of disposal of General Fund investments during the period	46,869	156,284
	Cost of investments realised	(52,571)	(41,070)
	Realised gain transferred to General Reserve	(5,702)	115,214
	At 1st January 2004	<u>366,379</u>	<u>251,165</u>
	At 31st December 2004	<u>360,677</u>	<u>366,379</u>

14 MEMBERS

The company is limited by guarantee. The liability of the members is limited to £1 on the winding up of the company. The number of member churches at 31st December 2004 was 287.

THE LONDON BAPTIST ASSOCIATION

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER 2004 (continued)

15	REVALUATION RESERVE	<i>Investment properties</i>	<i>Investments</i>	<i>Fixed assets</i>	<i>Total</i>
		£	£	£	£
	(a) GROUP				
	Balance at 1st January 2004	596,796	(161,864)	263,729	698,661
	Unrealised gains on revaluations in the period	-	77,708	-	77,708
	Realised gains and losses on disposals	(105,000)	20,896	-	(84,104)
	Balance at 31st December 2004	<u>491,796</u>	<u>(63,260)</u>	<u>263,729</u>	<u>692,265</u>
	(b) COMPANY				
	Balance at 1st January 2004	99,000	(159,527)	131,403	70,876
	Unrealised gains on revaluations in the period	-	56,820	-	56,820
	Realised gains and losses on disposals	-	20,896	-	20,896
	Balance at 31st December 2004	<u>99,000</u>	<u>(81,811)</u>	<u>131,403</u>	<u>148,592</u>

16 **DIRECTORS**

One director was reimbursed travel expenses of £120 during the period.

The following directors received remuneration during the period:

	<i>Emoluments</i>	<i>Pension contributions</i>
	£	£
Rev P Took	22,340	3,246
Rev P Martin	24,536	3,499
Rev S Rajagopalan	19,550	2,900
Rev D Shosanya	19,550	-

In addition, Rev S Rajagopalan and Rev D Shosanya were provided with accommodation by the company; Rev P Martin was provided with accommodation by the Group; and the Rev P Took was provided with accommodation by the Baptist Union, for which the company pays a rent.

THE LONDON BAPTIST ASSOCIATION

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER 2004 (continued)

17 **ANALYSIS OF NET ASSETS BETWEEN FUNDS – GROUP**

	<i>Tangible fixed assets</i> £	<i>Investments</i> £	<i>Loans to churches</i> £	<i>Net current assets</i> £	<i>Creditors due in more than one year</i> £	<i>Total</i> £
Restricted Funds (per note 8)	-	1,143,214	610,288	903,387	(49,588)	2,607,301
Unrestricted Funds						
Designated Funds (per note 7)	321,932	-	470	176,681	-	499,083
General Fund	596,635	1,677,216	-	(71,034)	49,588	2,252,405
General Reserve	-	<u>360,677</u>	-	-	-	<u>360,677</u>
	<u>918,567</u>	<u>3,181,107</u>	<u>610,758</u>	<u>1,009,034</u>	<u>-</u>	<u>5,719,466</u>

18 **INVESTMENTS IN SUBSIDIARIES**

The London Baptist Association holds all of the 411 'A' voting shares in the London Baptist Property Board Ltd and 647 non-voting 'B' shares. The London Baptist Property Board Ltd serves the work of the Association by acting as holding trustee for the majority of the churches in membership with the Association and by offering a facility for deposit and loan fund accounts.

Shareholder funds in the London Baptist Property Board Ltd at 31st December 2004 were £2,262,220 (2003: £2,158,149).

A summary of income and expenditure is as follows:

	2004 £	2003 £
Incoming resources	445,803	332,870
Resources expended	<u>437,422</u>	<u>344,891</u>
Net incoming resources before revaluations	8,381	(12,021)
Gains and losses on revaluations and disposals of investment assets	<u>95,690</u>	<u>18,370</u>
Net movement in funds	<u>104,071</u>	<u>6,349</u>