

**THE LONDON BAPTIST ASSOCIATION**  
**REPORT OF THE DIRECTORS**  
**and**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31ST DECEMBER 2008**

**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**  
**REPORT OF THE DIRECTORS**  
**and**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31ST DECEMBER 2008**

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# THE LONDON BAPTIST ASSOCIATION

## COMPANY INFORMATION

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### DIRECTORS

Mr K Adzam	Rev PW Martin
Dr I Alfred	Mr O Obidipe (from June 08)
Rev CR Andre-Watson	Mrs S Owen
Mr S Ashirifi (from June 08)	Mr R Pedro
Mrs FW Bowers	Rev D B Priddy
Mr T Briggs (from June 08)	Mr E Quarshie
Mr S Cleary	Rev S Rajagopalan
Mrs LM Everitt (to June 08)	Rev DO Shosanya
Dr CP Hicks	Mr D Struthers
Rev AO Ige	Rev Dr PM Took
Mr M Johnston (from June 08)	Rev M Whittington (to March 09)
Ms R Lawrie (from June 08)	

Directors are elected by the members in general meeting.

### OFFICERS

Moderator	Mrs F W Bowers
Regional Minister and Team Leader	Rev Dr PM Took BA BD PhD
Regional Minister (Mission)	Rev DO Shosanya
Regional Minister (Racial Justice)	Rev S Rajagopalan MTh
Regional Minister (Administration) and Company Secretary	Rev P W Martin BA
Honorary Treasurer	Mr E Quarshie

### SOLICITORS

Carter Lemon Camerons  
10 Aldersgate Street  
London EC1A 4HJ

### SURVEYORS

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

### BANKERS

Barclays Bank plc  
Business Banking  
United Kingdom House  
180 Oxford Street  
London W1D 1EA

### 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 2008**

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The Board of Directors has pleasure in reporting on the Financial Statements for the year ended 31st December 2008, 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" (2005).

#### **GOVERNANCE AND MANAGEMENT**

The London Baptist Association (LBA) is incorporated under the Companies Acts (registered number 4325272) and is a registered charity (registered number 1091160). It 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 company is governed by its Memorandum and Articles of Association (revised October 2002). The board of directors is partly elected or appointed by the member churches and partly co-opted. Baptist churches are admitted into membership by the passing of an ordinary resolution. The directors establish the strategy of the Association which is implemented by the Regional Ministers (who are also directors), other members of staff, committees and working groups.

The directors of the LBA appoint the directors of the London Baptist Property Board Ltd (a subsidiary company).

#### **PRINCIPAL ACTIVITIES AND OBJECTS**

The object of the company 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 Association is affiliated to the Baptist Union of Great Britain. The company seeks to fulfil its purpose through resourcing, supporting and encouraging the life and mission of its member churches.

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.

The Association largely fulfils its objects through the work of the LBA Team (the Regional Ministers and the Youth Work Co-ordinator). All of the team offer support and encouragement to member churches within their own area of responsibility. Patricia Took has provided pastoral care to churches and ministers, particularly in times of difficulty and challenge. Working with the National Settlement Team of the Baptist Union she has helped churches in pastoral vacancy in their search for a new minister. David Shosanya has met with ministers and churches to enable them to consider their engagement in mission. He has worked with the Mission Strategy Forum to develop initiatives within the Association. David has maintained a keen interest and involvement in the way in which the Christian church can have a transformative impact on society. Kumar Rajagopalan has worked with churches to assist them in the journey towards being multi-cultural communities. He has also developed programmes to enable churches to consider how to share the Christian faith sensitively with those from other faith traditions. Pete Leveson has continued to offer consultancy, support and training to churches in their work with young people and children. He has arranged a regular series of training events and has offered support to paid youth workers and youth ministers. Paul Martin, based in the LBA office, has provided guidance and support to church officers on a range of issues. He is often the first port of call for churches seeking guidance on matters such as church constitutions, finance and funding, employment, safeguarding, and redevelopment.

The work of the team has been complemented by others who work for the Association in a part-time capacity. Ten District Ministers offer encouragement to fellow ministers in their respective districts. Hilary Taylor (Small Church Enabler) has visited the leaders of a number of small churches providing support and encouragement and has facilitated the work of the Small Church Connexion. Mike Wood has continued to work closely with those churches new to the life of the Association.

## **THE LONDON BAPTIST ASSOCIATION**

REPORT OF THE BOARD OF DIRECTORS  
FOR THE YEAR ENDED 31ST DECEMBER 2008 (continued)

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### **PRINCIPAL ACTIVITIES AND OBJECTS (continued)**

Two churches joined the Association during the year: Hounslow Community Church (a Brazilian congregation meeting at Emmanuel Baptist Church, Hounslow) and Victory Land Baptist Church, Dagenham. A further fourteen churches have made an approach to the Association about the possibility of joining in the future.

The Home Mission Grants Committee considered grant applications from 35 churches, arranging visitors and making recommendations to the Baptist Union Grants Committee. Training was offered at the beginning of the year for visitors and churches submitting applications. Colin Hicks assisted Paul Martin in administering the application process. The Ministerial Recognition Committee met on seven occasions during the year, interviewing 13 candidates and commending ten as potential ministerial candidates and one as a lay pastor.

The directors met on nine occasions during the year – eight evening meetings and one Saturday conference. The directors gave particular consideration to the development of a strategy for the next five years. A draft strategy has been prepared which has been circulated to the churches for their feedback. Five new directors were elected in June. Paul Martin met with them to introduce them to the work of the directors and all received copies of the up-dated directors handbook.

The Home Mission appeal reached its target in 2008. Churches in membership with the LBA contributed £413,321 (2007, £396,187) to the Baptist Union Home Mission Fund appeal. Individual donations added a further £3,097 (2007, £100,194). An additional £20,000 (2007, £10,800) was contributed from the LBPB surplus and £71,495 (2007, £75,399) from subscriptions to the LBA from member churches. The total of £507,914 was a decrease on the amount raised in 2007 (£582,580), but actually represents an increase of 5.25% when the £100,000 private donation in 2007 is discounted. In 2009 the Association will receive 25% of this total from Home Mission to support its work and activities.

### **PLANS FOR THE FUTURE**

The directors have continued to keep the purposes and priorities of the Association under review.

As already mentioned, the directors have drafted a strategy for the next five years of the Association's life. A consultation is currently underway. A series of 'roadshows' in each of the Districts has been arranged, led by the LBA team to present the strategy. It is anticipated that the strategy will be finalised in the spring of 2009 and launched at the London Event in June 2009.

With the loss of funding from the Department for Education and Skills, for the Youth Work Coordinator post, the directors have put in place a review of the way in which the Association can resource and encourage youth work in our churches. The Association hopes to be able to identify an alternative source of funding to support this work.

The directors are conscious that financial constraints limit the capacity of the Association to serve the churches. The directors have put a proposal to the Baptist Union, seeking permission to raise additional funds for the work of the Association through a 'Fund for London'.

While the directors continue to be mindful of the risks to which the charity is open, the directors have made plans in 2009 to conduct a full risk assessment review.

## THE LONDON BAPTIST ASSOCIATION

REPORT OF THE BOARD OF DIRECTORS  
FOR THE YEAR ENDED 31ST DECEMBER 2008 (continued)

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### SUMMARY OF FINANCIAL ACTIVITIES FOR THE YEAR

The financial results of the year 2008 are set out in the accompanying financial statements. There was a negative movement for the year, after revaluation losses of £305,759 (2007: positive movement £152,426) taking the net assets of the LBA to £5,462,569.

#### *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.

#### *Remuneration of directors*

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 18). 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.

#### *Investment policy*

An ethical investment policy is followed.

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. Annual review meetings are held with the fund manager.

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

### **Statement of Directors Responsibilities**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## **THE LONDON BAPTIST ASSOCIATION**

REPORT OF THE BOARD OF DIRECTORS  
FOR THE YEAR ENDED 31ST DECEMBER 2008 (continued)

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### **DISCLOSURE OF INFORMATION TO THE AUDITORS**

To the knowledge and belief of the directors, there is no relevant information that the company's auditors are not aware of, and the directors have taken all the steps necessary to ensure that the directors are aware of any relevant information, and to establish that the company's auditors are aware of this information.

The above report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

*Paul W Martin*

BY ORDER OF THE BOARD

235 Shaftesbury Avenue  
London  
WC2H 8EP  
9 May 2009

# THE LONDON BAPTIST ASSOCIATION

## GENERAL INFORMATION

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### Designated Funds

#### *Legacy Reserve Fund*

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

#### *Barnabas 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.

#### *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 grants from the London Baptist Property Board Limited.

#### *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. This fund has been reclassified from restricted funds with a transfer of £18,829 of the opening balance.

#### *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

Sixteen restricted funds are operated, four of which include endowment funds. These are as follows:

#### *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. 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. There is also provision for grants to be made from the income for the support of ministry and those training for ministry and for other charitable work of the Association. To qualify a church must be within a London Borough.

#### *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.

#### *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)

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#### Restricted Funds (continued)

##### *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. The fund has been supplemented in 2007 by funds arising from the closure of Harmondsworth Baptist Church.

##### *London Baptist Preachers Fund*

This fund was established in 2005 resulting from the transfer of residual funds from the London Baptist Preachers Association. The fund is able to make bursaries available to support the training of lay preachers in membership with an LBA church and to make grants to support training events for preachers.

##### *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 was 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. In 2007 the Charity Commission gave permission for the funds to be used for wider purposes. Interest free loans can now be made for the building of new churches, the purchase of new buildings by churches and the extension of church premises.

##### *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. Money is raised by the fund 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.

## THE LONDON BAPTIST ASSOCIATION

### GENERAL INFORMATION (continued)

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#### **Restricted Funds (continued)**

##### *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. The investment of £18,942.75 5½% Treasury Stock 2008/12, yielding £1,042 per annum was redeemed in 2008. Advice is being sought to reinvest the funds. The income is used for "Experimental Ministry" in Inner London.

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

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We have audited the financial statements of the London Baptist Association on pages 10 to 25 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 15.

This report is made solely to the charitable 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 charitable 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 charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditors**

The responsibilities of the directors 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 Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and statutory requirements and International Standards on Auditing (UK and Ireland).

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 whether the information given in the Report of the Directors is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 International Standards on Auditing (UK 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 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group and charitable company's affairs at 31st December 2008 and of its incoming resources and application of resources including its income and expenditure for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information provided in the Directors' Report is consistent with the financial statements

5 Robin Hood Lane  
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**Jacob Cavenagh & Skeet**  
Chartered Accountants  
and Registered Auditor

9 May 2009

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**THE LONDON BAPTIST ASSOCIATION**

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31ST DECEMBER 2008

Income and expenditure	Note	2008				Total £	2007 Total £
		General Fund £	Designated Funds £	Un- restricted Funds £	Restricted Endowment Funds £		
<b>Incoming resources</b>							
<i>Incoming resources from generated funds</i>							
Voluntary income							
Baptist Union rebate		197,433	-	197,433	-	197,433	200,900
Church contributions		71,136	-	71,136	1,075	72,211	78,024
Grants		18,183	8,000	26,183	-	26,183	50,340
Legacies & donations		14,103	-	14,103	-	14,103	3,855
Investment income	12	789,912	358	790,270	57,144	847,414	734,282
<i>Incoming resources from charitable activities</i>							
Loan interest		117,000	-	117,000	-	117,000	121,107
Preaching income		6,317	-	6,317	-	6,317	7,248
Other income		675	-	675	-	675	332
<i>Other incoming resources</i>		<u>1,406</u>	<u>-</u>	<u>1,406</u>	<u>-</u>	<u>1,406</u>	<u>15,000</u>
<b>Total incoming resources</b>		<u>1,216,165</u>	<u>8,358</u>	<u>1,224,523</u>	<u>58,219</u>	<u>1,282,742</u>	<u>1,211,088</u>
<b>Resources expended</b>							
<i>Cost of generating funds</i>							
Investment property management costs		7,770	-	7,770	-	7,770	38,331
<i>Charitable activities</i>							
Support to Churches	9/10/11	1,146,153	22,100	1,168,253	55,485	1,223,738	1,080,504
<i>Governance costs</i>							
Auditors' remuneration		<u>13,898</u>	<u>-</u>	<u>13,898</u>	<u>-</u>	<u>13,898</u>	<u>12,804</u>
<b>Total resources expended</b>		<u>1,167,821</u>	<u>22,100</u>	<u>1,189,921</u>	<u>55,485</u>	<u>1,245,406</u>	<u>1,131,639</u>
<b>Net incoming resources before transfers</b>		48,344	(13,742)	34,602	2,734	37,336	79,449
Transfers between funds		<u>(32,605)</u>	<u>(2,451)</u>	<u>(35,056)</u>	<u>35,056</u>	<u>-</u>	<u>-</u>
<b>Net incoming resources before revaluations and investment asset disposals</b>		15,739	(16,193)	(454)	37,790	37,336	79,449
Gains/(losses) on revaluations and disposals of investment assets		<u>(134,485)</u>	<u>(27)</u>	<u>(134,512)</u>	<u>(275,001)</u>	<u>(409,513)</u>	<u>73,653</u>
<b>Net movement in funds</b>		(118,746)	(16,220)	(134,966)	(237,211)	(372,177)	153,102
Balances brought forward		<u>3,205,696</u>	<u>380,382</u>	<u>3,586,078</u>	<u>3,405,250</u>	<u>6,991,328</u>	<u>6,838,226</u>
Balances carried forward		<u>3,086,950</u>	<u>364,162</u>	<u>3,451,112</u>	<u>3,168,039</u>	<u>6,619,151</u>	<u>6,991,328</u>

**THE LONDON BAPTIST ASSOCIATION**

CONSOLIDATED BALANCE SHEET  
AS AT 31ST DECEMBER 2008

	<i>Note</i>	<i>2008</i>		<i>2007</i>	
		£	£	£	£
<b>Fixed assets</b>					
Tangible fixed assets	2a		1,115,137		1,131,070
Investments	3a		2,577,815		3,417,161
Loans to churches	4		<u>1,121,278</u>		<u>896,142</u>
			4,814,230		5,444,373
<b>Current assets</b>					
Debtors (£1,439,906 recoverable after more than one year)	5a	2,172,587		2,084,866	
Short term deposits		14,301,538		12,019,921	
Cash held by stockbrokers		322,293		190,434	
Cash at bank and in hand		<u>53,090</u>		<u>13,360</u>	
		16,849,508		14,308,581	
<b>Creditors:</b> Amounts falling due within one year	6	<u>15,044,587</u>		<u>12,761,626</u>	
<b>Net current assets</b>			<u>1,804,921</u>		<u>1,546,955</u>
<b>Net assets</b>			<u>6,619,151</u>		<u>6,991,328</u>
<b>Restricted funds</b>					
Realised funds		3,010,039		3,006,390	
Revaluation reserve		<u>158,000</u>		<u>398,860</u>	
			3,168,039		3,405,250
<b>Unrestricted funds</b>					
Realised funds - General reserve		382,069		375,746	
- Other funds		2,466,359		2,358,249	
Revaluation reserve		<u>602,684</u>		<u>852,083</u>	
			<u>3,451,112</u>		<u>3,586,078</u>
			<u>6,619,151</u>		<u>6,991,328</u>

The financial statements were prepared in accordance with the special provisions of the Companies Act relating to small companies and were approved by the Board of Directors on 9 May 2009 and signed on their behalf:

*Faith Bowers*

**Moderator**

*Emmanuel Quarshie*

**Hon Treasurer**

**THE LONDON BAPTIST ASSOCIATION**

COMPANY STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE ENDED 31ST DECEMBER 2008

	Note	2008				Total £	2007 Total £
		General Fund £	Designated Funds £	Total Unrestricted Funds £	Restricted and Endow- ment Funds £		
<b>Income and expenditure</b>							
<b>Incoming resources</b>							
<i>Incoming resources from generated funds</i>							
Voluntary income							
Baptist Union rebate		197,433	-	197,433	-	200,900	
Contributions		71,136	-	71,136	1,075	78,024	
Grants		106,183	8,000	114,183	9,200	104,340	
Investment income	12	13,875	3,211	17,086	83,000	90,653	
<i>Incoming resources from charitable activities</i>							
Preaching income		6,317	-	6,317	-	7,248	
Other income		675	-	675	-	325	
<i>Other incoming resources</i>		-	-	-	-	15,000	
<b>Total incoming resources</b>		<u>395,619</u>	<u>11,211</u>	<u>406,830</u>	<u>93,275</u>	<u>496,490</u>	
<b>Resources expended</b>							
<i>Charitable activities:</i>							
Support to Churches	9/10/11	385,221	24,804	410,025	55,485	432,477	
<i>Governance costs</i>							
Auditors' remuneration		<u>7,605</u>	-	<u>7,605</u>	-	<u>6,947</u>	
<b>Total resources expended</b>		<u>392,826</u>	<u>24,804</u>	<u>417,630</u>	<u>55,485</u>	<u>439,424</u>	
<b>Net incoming resources</b>							
<b>Before transfers</b>		<b>2,793</b>	<b>(13,593)</b>	<b>(10,800)</b>	<b>37,790</b>	<b>57,066</b>	
Transfer between funds		<u>2,600</u>	<u>(2,600)</u>	-	-	-	
<b>Net incoming resources before revaluations and investment asset disposals</b>		<b>5,393</b>	<b>(16,193)</b>	<b>(10,800)</b>	<b>37,790</b>	<b>57,066</b>	
Gains on revaluation of fixed assets for charity's own use		-	-	-	-	-	
Gain and losses on revaluations and disposals of investment assets		<u>(57,721)</u>	<u>(27)</u>	<u>(57,748)</u>	<u>(275,001)</u>	<u>95,360</u>	
<b>Net movement in funds</b>		<b>(52,328)</b>	<b>(16,220)</b>	<b>(68,548)</b>	<b>(237,211)</b>	<b>152,426</b>	
Balances brought forward from 2007		<u>1,982,696</u>	<u>380,382</u>	<u>2,363,078</u>	<u>3,405,250</u>	<u>5,615,902</u>	
Balances carried forward to 2009		<u>1,930,368</u>	<u>364,162</u>	<u>2,294,530</u>	<u>3,168,039</u>	<u>5,768,328</u>	

**THE LONDON BAPTIST ASSOCIATION**

COMPANY BALANCE SHEET  
AT 31ST DECEMBER 2008

	Note	2008				2007	
		General Fund £	Designated Funds £	Total Un-restricted Funds £	Restricted and Endowment Funds £	Total £	Total £
<b>Fixed assets</b>							
Tangible fixed assets	2b	363,848	350,000	713,848	-	713,848	719,681
Investments	3b	1,577,319	-	1,577,319	1,138,430	2,715,749	3,240,657
Loans to churches	4	-	38,644	38,644	1,082,634	1,121,278	896,142
		<u>1,941,167</u>	<u>388,644</u>	<u>2,329,811</u>	<u>2,221,064</u>	<u>4,550,875</u>	<u>4,856,480</u>
<b>Current assets</b>							
Deposits with the London Baptist Property Board Limited		88,745	70,256	159,001	543,816	702,817	908,064
Loan to Ministers' widows		-	-	-	59,200	59,200	59,200
Sundry Debtors	5b	10,191	-	10,191	-	10,191	12,274
Cash held by stockbrokers		40,189	-	40,189	282,104	322,293	190,434
Cash at bank and in hand		53,090	-	53,090	-	53,090	13,360
		<u>192,215</u>	<u>70,256</u>	<u>262,471</u>	<u>885,120</u>	<u>1,147,591</u>	<u>1,183,332</u>
<b>Creditors: Amounts falling due within one year</b>							
Sundry creditors		( 92,351)	-	( 92,351)	( 3,000)	( 95,351)	( 130,938)
Inter-fund balances		(110,663)	(3,017)	(113,680)	113,680	-	-
		<u>(203,014)</u>	<u>(3,017)</u>	<u>(206,031)</u>	<u>110,680</u>	<u>( 95,351)</u>	<u>( 130,938)</u>
<b>Net current assets</b>		(10,799)	67,239	56,440	995,800	1,052,240	1,052,394
<b>Total assets less current liabilities</b>		<u>1,930,368</u>	<u>455,883</u>	<u>2,386,251</u>	<u>3,216,864</u>	<u>5,603,115</u>	<u>5,908,874</u>
<b>Liabilities falling due after more than one year:</b>							
Loans from the London Baptist Property Board Limited		-	( 91,721)	( 91,721)	( 48,825)	( 140,546)	( 140,546)
<b>Net assets</b>		<u>1,930,368</u>	<u>364,162</u>	<u>2,294,530</u>	<u>3,168,039</u>	<u>5,462,569</u>	<u>5,768,328</u>
<b>Represented by funds:</b>							
General reserve	7,8 14	382,069	-	382,069	-	382,069	375,746
Revaluation reserve		61,083	153,730	214,813	158,000	372,813	648,044
Fund balances		1,487,216	210,432	1,697,648	3,010,039	4,707,687	4,744,538
		<u>1,930,368</u>	<u>364,162</u>	<u>2,294,530</u>	<u>3,168,039</u>	<u>5,462,569</u>	<u>5,768,328</u>

Approved by the Board of Directors on 9 May 2009 and signed on their behalf:

*Faith Bowers*  
**Moderator**

*Emmanuel Quarshie*  
**Hon Treasurer**

## THE LONDON BAPTIST ASSOCIATION

### SUMMARY INCOME AND EXPENDITURE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 2008

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	<b>Group</b>	<b>2008</b>	<b>Group</b>	<b>2007</b>
	<b>£</b>	<b>Company</b>	<b>£</b>	<b>Company</b>
		<b>£</b>		<b>£</b>
Gross income of continuing activities	1,282,742	500,105	1,211,088	496,490
Total expenditure of continuing activities	<u>1,245,406</u>	<u>473,115</u>	<u>1,131,639</u>	<u>439,424</u>
<b>Net surplus for the period before asset disposals</b>	37,336	26,990	79,449	57,066
Surplus/(deficit) on disposal of fixed assets and investments	<u>(55,703)</u>	<u>(43,377)</u>	<u>9,292</u>	<u>9,292</u>
<b>(Deficit)/surplus for the year</b>	<u>(18,367)</u>	<u>(16,387)</u>	<u>88,741</u>	<u>66,358</u>

All results relate to continuing activities.

### STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	<b>Group</b>	<b>2008</b>	<b>Group</b>	<b>2007</b>
	<b>£</b>	<b>Company</b>	<b>£</b>	<b>Company</b>
		<b>£</b>		<b>£</b>
(Deficit)/surplus for the year	(18,367)	(16,387)	88,741	66,358
Unrealised gains/(losses) on investment and fixed asset revaluation	<u>(353,810)</u>	<u>(289,372)</u>	<u>64,361</u>	<u>86,068</u>
Total gains and losses recognised in the year	<u>(372,177)</u>	<u>(305,759)</u>	<u>153,102</u>	<u>152,426</u>

# THE LONDON BAPTIST ASSOCIATION

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 2008

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### 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" (revised 2005). The accounts comply with the Charities Act 1993 and the Companies Act 1985, and the financial reporting standard for smaller entities (effective January 2007).

#### 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 3 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 2008 (continued)

2a <b>TANGIBLE FIXED ASSETS – GROUP</b>	<i><b>Freehold property £</b></i>	<i><b>Computer equipment £</b></i>	<i><b>Total £</b></i>
<b>Cost or valuation</b>			
At 1st January 2008	1,085,000	74,499	1,159,499
Additions	-	10,739	10,739
Disposals	-	( 2,037)	( 2,037)
At 31st December 2008	<u>1,085,000</u>	<u>83,201</u>	<u>1,168,201</u>
<b>Depreciation</b>			
At 1st January 2008	-	28,429	28,429
Charge for year	-	26,672	26,672
Released on disposal	-	( 2,037)	( 2,037)
At 31st December 2008	<u>-</u>	<u>53,064</u>	<u>53,064</u>
<b>Net book value</b>			
At 31st December 2008	<u>1,085,000</u>	<u>30,137</u>	<u>1,115,137</u>
At 31st December 2007	<u>1,085,000</u>	<u>46,070</u>	<u>1,131,070</u>
Historical cost for land and buildings included at valuation:			
At 31st December 2008	<u>789,681</u>		<u>789,681</u>
At 31st December 2007	<u>789,681</u>		<u>789,681</u>

The properties were last valued by the directors at 31st December 2006 on the basis of open market value. The valuations were made on the basis of information provided by Biscoe Craig Hall.

2b <b>TANGIBLE FIXED ASSETS – COMPANY</b>	<i><b>Freehold property £</b></i>	<i><b>Computer equipment £</b></i>	<i><b>Total £</b></i>
<b>Cost or valuation</b>			
At 1st January 2008	700,000	29,522	729,522
Additions	-	7,042	7,042
At 31st December 2008	<u>700,000</u>	<u>36,564</u>	<u>736,564</u>
<b>Depreciation</b>			
At 1st January 2008	-	9,841	9,841
Charge for year	-	12,875	12,875
At 31st December 2008	<u>-</u>	<u>22,716</u>	<u>22,716</u>
<b>Net book value</b>			
At 31st December 2008	<u>700,000</u>	<u>13,848</u>	<u>713,848</u>
At 31st December 2007	<u>700,000</u>	<u>19,681</u>	<u>719,681</u>
Historical cost for land and buildings included at valuation:			
At 31st December 2008	<u>485,187</u>		<u>485,187</u>
At 31st December 2007	<u>485,187</u>		<u>485,187</u>

**THE LONDON BAPTIST ASSOCIATION**

NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31ST DECEMBER 2008 (continued)

3a **INVESTMENTS – GROUP**

	<i>Listed investments</i> £	<i>Other investments</i> £	<i>Freehold investment properties</i> £	<i>Total</i> £
<b>Valuation</b>				
At 1st January 2008	1,485,327	199,834	1,732,000	3,417,161
Additions	78,975	-	-	78,975
Disposals	( 315,515)	-	(250,000)	( 565,515)
Revaluation (deficit)/surplus	( 288,368)	( 64,438)	-	( 352,806)
At 31st December 2008	<u>960,419</u>	<u>135,396</u>	<u>1,482,000</u>	<u>2,577,815</u>
<b>Historical cost</b>				
As at 31st December 2008	<u>1,064,387</u>	<u>149,806</u>	<u>1,016,455</u>	<u>2,230,648</u>
As at 31st December 2007	<u>1,210,097</u>	<u>149,806</u>	<u>1,071,455</u>	<u>2,431,358</u>

The properties were last valued by the directors at 31st December 2006 and 31st December 2005 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.

3b **INVESTMENTS – COMPANY**

	<i>Shares in LBPB</i> £	<i>Listed Investments</i> £	<i>Freehold investment properties</i> £	<i>Total</i> £
<b>General Fund</b>				
Market value or valuation at 1st January 2008	1,379,330	262,836	22,630	1,664,796
Additions	-	14,788	-	14,788
Disposals	-	( 51,070)	-	( 51,070)
Transfers from restricted funds	-	-	-	-
Net unrealised investment (losses)/gains	-	( 51,195)	-	( 51,195)
Market value or valuation at 31st December 2008	<u>1,379,330</u>	<u>175,359</u>	<u>22,630</u>	<u>1,577,319</u>
Historical cost or probate value at 31st December 2008	<u>1,379,330</u>	<u>208,698</u>	<u>22,630</u>	<u>1,610,658</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 2008 (continued)

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

<b>Restricted and Endowment Funds</b>	<i>Listed Investments</i> £	<i>Freehold investment properties</i> £	<i>Total</i> £
Market value or valuation at 1st January 2008	1,222,491	353,370	1,575,861
Additions	64,187	-	64,187
Disposals	( 263,441)	-	(263,441)
Transfers from restricted funds	-	-	-
Net unrealised investment gains/(losses)	( 238,177)	-	( 238,177)
Market value or valuation at 31st December 2008	<u>785,060</u>	<u>353,370</u>	<u>1,138,430</u>
Historical cost or probate value at 31st December 2008	<u>855,689</u>	<u>195,370</u>	<u>1,051,059</u>

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

	<i>Designated Fund</i> £	<i>Restricted and Endowment Funds</i> £	<i>Total</i> £
Permanent loans	631	193,292	193,923
Fixed loans	<u>38,013</u>	<u>889,342</u>	<u>927,355</u>
	<u>38,644</u>	<u>1,082,634</u>	<u>1,121,278</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**

	<i>2008</i> £	<i>2007</i> £
Advances and interest accrued (£1,583,324 recoverable after more than one year)	1,862,649	1,725,025
Loans to Ministers' widows	59,200	59,200
Prepayments and sundry debtors	18,991	48,751
Accrued income	<u>231,747</u>	<u>251,890</u>
	<u>2,172,587</u>	<u>2,084,866</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**

	<i>2008</i> £	<i>2007</i> £
<b>Amounts falling due within one year</b>		
7 day notice deposits and interest accrued	14,936,409	12,613,940
Sundry creditor accruals	<u>108,178</u>	<u>147,686</u>
	<u>15,044,587</u>	<u>12,761,626</u>

# THE LONDON BAPTIST ASSOCIATION

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 2008 (continued)

7 UNRESTRICTED FUNDS	Designated Funds						Total Designated Funds	General Fund	General Reserve	Total Unrestricted Funds
	International Fund	Legacy Reserve Fund	Mission Fund	Barnabus Fund	Ch Extn Reconstrn Fund	Thames Gateway Project				
	£	£		£	£	£	£	£		
<b>INCOMING RESOURCES</b>										
<i>Incoming resources from generated funds</i>										
Voluntary income										
Baptist Union rebate	-	-	-	-	-	-	-	197,433	-	197,433
Church contributions	-	-	-	-	-	-	-	71,136	-	71,136
Grants	-	-	-	-	8,000	-	8,000	106,183	-	114,183
Investment income										
Investment income	575	803	419	827	587	-	3,211	13,875	-	17,086
<i>Incoming resources from charitable activities</i>										
Preaching income	-	-	-	-	-	-	-	6,317	-	6,317
Other income	-	-	-	-	-	-	-	675	-	675
<b>Total incoming resources</b>	<u>575</u>	<u>803</u>	<u>419</u>	<u>827</u>	<u>8,587</u>	<u>-</u>	<u>11,211</u>	<u>395,619</u>	<u>-</u>	<u>406,830</u>
<b>Less: RESOURCES EXPENDED</b>										
<i>Charitable activities</i>										
Support to Churches	2,704	-	350	1,750	20,000	-	24,804	385,221	-	410,025
<i>Governance costs</i>										
Auditor's remuneration	-	-	-	-	-	-	-	7,605	-	7,605
<b>Total resources expended</b>	<u>2,704</u>	<u>-</u>	<u>350</u>	<u>1,750</u>	<u>20,000</u>	<u>-</u>	<u>24,804</u>	<u>392,826</u>	<u>-</u>	<u>417,630</u>
<b>Net incoming resources</b>	<u>(2,129)</u>	<u>803</u>	<u>69</u>	<u>(923)</u>	<u>(11,413)</u>	<u>-</u>	<u>(13,593)</u>	<u>2,793</u>	<u>-</u>	<u>(10,800)</u>
Gains on revaluation of fixed assets	-	-	-	-	-	-	-	-	-	-
Gains on investment revaluations and disposals	-	-	-	(27)	-	-	(27)	(57,721)	-	(57,748)
Transfers between funds	-	(2,600)	-	-	-	-	(2,600)	(3,723)	6,323	-
Net movement in funds	<u>(2,129)</u>	<u>(1,797)</u>	<u>69</u>	<u>(950)</u>	<u>(11,413)</u>	<u>-</u>	<u>(16,220)</u>	<u>(58,651)</u>	<u>6,323</u>	<u>(68,548)</u>
Balance at 1st January 2008	<u>15,261</u>	<u>20,516</u>	<u>10,082</u>	<u>15,948</u>	<u>60,159</u>	<u>258,416</u>	<u>380,382</u>	<u>1,606,950</u>	<u>375,746</u>	<u>2,363,078</u>
Balance at 31st December 2008	<u>13,132</u>	<u>18,719</u>	<u>10,151</u>	<u>14,998</u>	<u>48,746</u>	<u>258,416</u>	<u>364,162</u>	<u>1,548,299</u>	<u>382,069</u>	<u>2,294,530</u>

**THE LONDON BAPTIST ASSOCIATION**

NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31ST DECEMBER 2008 (continued)

7 **UNRESTRICTED FUNDS** (continued)

	<u>Designated Funds</u>						<u>Total Designated Funds</u>	<u>General Fund</u>	<u>General Reserve</u>	<u>Total Unrestricted Funds</u>
	<u>Internat- ional Fund</u>	<u>Legacy Reserve Fund</u>	<u>Mission Fund</u>	<u>Barnabas Fund</u>	<u>Ch Extn Reconstn Fund</u>	<u>Thames Gateway Project</u>				
	£	£	£	£	£	£	£	£	£	
<b>Represented by:</b>										
Tangible fixed assets	-	-	-	-	-	350,000	350,000	363,848	-	713,848
Investments	-	470	-	-	-	-	-	1,195,250	382,069	1,577,319
Loan to church	-	-	-	-	38,174	-	38,644	-	-	38,644
Deposits with LBPB Limited	13,736	20,849	10,151	14,998	10,522	-	70,256	88,745	-	159,001
Sundry debtors	-	-	-	-	-	-	-	10,191	-	10,191
Cash with stockbrokers	-	-	-	-	-	-	-	40,189	-	40,189
Cash at bank and in hand	-	-	-	-	-	-	-	53,090	-	53,090
Sundry creditors	-	-	-	-	-	-	-	( 92,351)	-	( 92,351)
Balance with General Fund	(604)	(2,600)	-	-	50	137	(3,017)	( 110,663)	-	( 113,680)
Loan from LBPB Limited	-	-	-	-	-	( 91,721)	( 91,721)	-	-	( 91,721)
	<u>13,132</u>	<u>18,719</u>	<u>10,151</u>	<u>14,998</u>	<u>48,746</u>	<u>258,416</u>	<u>364,162</u>	<u>1,548,299</u>	<u>382,069</u>	<u>2,294,530</u>

**THE LONDON BAPTIST ASSOCIATION**

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 2008 (continued)

**8 RESTRICTED AND ENDOWMENT FUNDS**

	J W Beaumont Trust Fund £	John Bradford Trust £	Compassionate Trust Fund £	Gwennap's Charity Trust £	Hounslow Bap Ch. Reserve £	Lay Preach- er Training 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 £
<b>Incoming resources</b>																
<b>Incoming resources from generated funds</b>																
<b>Voluntary income</b>																
Church contributions	-	-	1,000	-	-	-	-	-	75	-	-	-	-	-	-	1,075
Grants	-	-	4,200	-	-	-	-	-	5,000	-	-	-	-	-	-	9,200
<b>Investment income</b>																
Interest on deposits with LBPB	198	12,652	421	150	1,218	370	187	211	5,279	857	1,251	274	125	1,833	830	25,856
Interest and dividends	-	3,873	448	836	1,382	-	1	-	40,074	-	14	-	-	2,468	1,042	50,138
Rental income	-	-	-	-	-	-	-	-	7,006	-	-	-	-	-	-	7,006
<b>Total incoming</b>	<u>198</u>	<u>16,525</u>	<u>6,069</u>	<u>986</u>	<u>2,600</u>	<u>370</u>	<u>188</u>	<u>211</u>	<u>52,359</u>	<u>5,932</u>	<u>1,265</u>	<u>274</u>	<u>125</u>	<u>4,301</u>	<u>1,872</u>	<u>93,275</u>
<b>Less: Resources expended</b>																
<b>Charitable activities</b>																
Grants	-	26,000	3,900	-	8,000	-	-	-	6,515	6,025	-	-	-	3,000	-	46,925
Support to churches	10	826	303	49	130	18	9	11	-	297	63	14	6	215	94	8,560
<b>Total resources expended</b>	<u>10</u>	<u>26,826</u>	<u>4,203</u>	<u>49</u>	<u>8,130</u>	<u>18</u>	<u>9</u>	<u>11</u>	<u>6,515</u>	<u>6,322</u>	<u>63</u>	<u>14</u>	<u>6</u>	<u>3,215</u>	<u>94</u>	<u>55,485</u>
<b>Net incoming resources</b>	<b>188</b>	<b>( 10,301)</b>	<b>1,866</b>	<b>937</b>	<b>( 5,530)</b>	<b>352</b>	<b>179</b>	<b>200</b>	<b>45,844</b>	<b>(390)</b>	<b>1,202</b>	<b>260</b>	<b>119</b>	<b>1,086</b>	<b>1,778</b>	<b>37,790</b>
<b>Transfer to endowment fund</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(7,104)	(7,104)
<b>Other recognised gains and losses</b>																
Net movement in funds	188	(17,021)	(2,930)	(5,245)	(9,937)	352	179	200	(234,388)	(390)	1,202	260	119	(5,402)	(78)	(275,001)
	<u>188</u>	<u>(27,322)</u>	<u>(1,064)</u>	<u>(4,308)</u>	<u>(15,467)</u>	<u>352</u>	<u>179</u>	<u>200</u>	<u>(188,544)</u>	<u>(390)</u>	<u>1,202</u>	<u>260</u>	<u>119</u>	<u>(4,316)</u>	<u>(5,404)</u>	<u>(237,211)</u>
Balance at 1st January 2008	<b>1,307</b>	<b>553,945</b>	<b>22,178</b>	<b>18,905</b>	<b>60,356</b>	<b>7,881</b>	<b>204,478</b>	<b>29,814</b>	<b>2,198,378</b>	<b>16,866</b>	<b>117,013</b>	<b>26,771</b>	<b>8,253</b>	<b>90,026</b>	<b>16,394</b>	<b>3,372,565</b>
<b>Balances carried forward at 31st December 2008</b>	1,495	526,623	21,114	14,597	44,889	8,233	204,657	30,014	2,009,834	16,476	118,215	27,031	8,372	85,710	10,990	3,135,354
<b>ENDOWMENT FUNDS</b>	<u>3,087</u>	<u>-</u>	<u>-</u>	<u>1,055</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,704</u>	<u>-</u>	<u>18,943</u>	<u>39,789</u>
	<b>4,582</b>	<b>526,623</b>	<b>21,114</b>	<b>15,652</b>	<b>44,889</b>	<b>8,233</b>	<b>204,657</b>	<b>30,014</b>	<b>2,009,834</b>	<b>16,476</b>	<b>118,215</b>	<b>27,031</b>	<b>25,076</b>	<b>85,710</b>	<b>29,933</b>	<b>3,168,039</b>
<b>Represented by:</b>																
Investment properties	-	30,000	-	-	-	-	114,370	-	209,000	-	-	-	-	-	-	353,370
Investments	-	33,743	5,816	10,939	28,711	-	22	-	659,406	-	317	-	-	46,106	-	785,060
Loans to churches	-	55,368	-	-	-	-	81,950	24,500	783,296	-	95,676	20,000	21,844	-	-	1,082,634
	<u>-</u>	<u>119,111</u>	<u>5,816</u>	<u>10,939</u>	<u>28,711</u>	<u>-</u>	<u>196,342</u>	<u>24,500</u>	<u>1,651,702</u>	<u>-</u>	<u>95,993</u>	<u>20,000</u>	<u>21,844</u>	<u>46,106</u>	<u>-</u>	<u>2,221,064</u>
<b>Current assets</b>																
Deposits with LBPB Limited	4,592	306,947	8,443	4,643	16,975	8,251	8,324	5,525	77,871	16,773	21,285	7,044	3,239	42,819	11,085	543,816
Loans to Ministers' widows	-	-	59,200	-	-	-	-	-	-	-	-	-	-	-	-	59,200
Cash held by stockbrokers	-	-	-	-	-	-	-	-	282,104	-	-	-	-	-	-	282,104
	<u>4,592</u>	<u>306,947</u>	<u>67,643</u>	<u>4,643</u>	<u>16,975</u>	<u>8,251</u>	<u>8,324</u>	<u>5,525</u>	<u>359,975</u>	<u>16,773</u>	<u>21,285</u>	<u>7,044</u>	<u>3,239</u>	<u>42,819</u>	<u>11,085</u>	<u>885,120</u>
<b>Current liabilities</b>																
Grants/loans not yet taken up	-	-	-	-	-	-	-	-	-	-	-	-	-	(3,000)	-	(3,000)
Inter-fund balances	(10)	100,565	(3,520)	70	(797)	(18)	(9)	(11)	(1,843)	(297)	937	(13)	(7)	(215)	18,848	113,680
	<u>(10)</u>	<u>100,565</u>	<u>(3,520)</u>	<u>70</u>	<u>(797)</u>	<u>(18)</u>	<u>(9)</u>	<u>(11)</u>	<u>(1,843)</u>	<u>(297)</u>	<u>937</u>	<u>(13)</u>	<u>(7)</u>	<u>(3,215)</u>	<u>18,848</u>	<u>110,680</u>
<b>Net current assets</b>	<b>4,582</b>	<b>407,512</b>	<b>64,123</b>	<b>4,713</b>	<b>16,178</b>	<b>8,233</b>	<b>8,315</b>	<b>5,514</b>	<b>358,132</b>	<b>16,476</b>	<b>22,222</b>	<b>7,031</b>	<b>3,232</b>	<b>39,604</b>	<b>29,933</b>	<b>995,800</b>
<b>Total assets less current liabilities</b>	<b>4,582</b>	<b>526,623</b>	<b>69,939</b>	<b>15,652</b>	<b>44,889</b>	<b>8,233</b>	<b>204,657</b>	<b>30,014</b>	<b>2,009,834</b>	<b>16,476</b>	<b>118,215</b>	<b>27,031</b>	<b>25,076</b>	<b>85,710</b>	<b>29,933</b>	<b>3,216,864</b>
<b>Liabilities falling due after more than one year:</b>																
Loans from LBPB Limited	-	-	(48,825)	-	-	-	-	-	-	-	-	-	-	-	-	(48,825)
	<u>4,582</u>	<u>526,623</u>	<u>21,114</u>	<u>15,652</u>	<u>44,889</u>	<u>8,233</u>	<u>204,657</u>	<u>30,014</u>	<u>2,009,834</u>	<u>16,476</u>	<u>118,215</u>	<u>27,031</u>	<u>25,076</u>	<u>85,710</u>	<u>29,933</u>	<u>3,168,039</u>

NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31ST DECEMBER 2008 (continued)

9 GRANTS

	<u>2008</u>		<u>2007</u>					
	No	Group £	No	Company £	No	Group £	No	Company £
<b>Grants paid in the period:</b>								
Organisations:								
Baptist Union Home Mission		20,000		-		10,800		-
Churches re Buildings	4	46,750	4	46,750	2	3,811	2	3,811
Churches re support of ministry	3	7,025	3	7,025	8	12,251	8	12,251
Other grants to churches and organisations	2		2					
		<u>11,000</u>		<u>11,000</u>		<u>-</u>		<u>-</u>
		84,775		64,775		26,862		16,062
Individuals:	42	<u>3,900</u>	42	<u>3,900</u>	49	<u>5,310</u>	49	<u>5,310</u>
		<u>88,675</u>		<u>68,675</u>		<u>32,172</u>		<u>21,372</u>

10 SUPPORT TO CHURCHES

	<u>2008</u>		<u>2007</u>	
	Group £	Company £	Group £	Company £
Employment costs:				
Salaries	232,772	159,055	237,707	171,575
National insurance – employer's	13,503	13,503	15,260	15,260
Pension contributions – employer's	<u>12,637</u>	<u>12,637</u>	<u>16,980</u>	<u>16,980</u>
	258,912	185,195	269,947	203,815
Printing and stationery	5,799	5,799	3,276	3,276
Postage and telephone	9,234	5,654	8,429	5,638
Premises costs	55,234	43,188	51,667	39,691
Professional fees	43,474	3,895	35,435	4,405
District ministers	23,880	23,880	22,619	22,619
Quinquennial survey	-	-	550	-
Committee and conference expenses	14,512	14,512	7,180	7,180
Computer and office equipment	11,476	5,637	12,372	5,683
Travel expenses	6,101	5,469	6,236	5,560
Subscriptions and donations (Note 11)	7,494	7,494	6,910	6,910
Bank charges	371	312	71	-
Depreciation	26,672	12,875	23,655	9,841
Loan interest	590,949	2,704	509,610	6,803
Contributions to BUGB Home Mission	71,136	71,136	75,399	75,400
Grants (Note 9)	88,675	68,675	32,172	21,372
Sundry expenses	9,819	9,085	14,976	14,284
	<u>1,223,738</u>	<u>465,510</u>	<u>1,080,504</u>	<u>432,477</u>

The average number of employees during the year was 26 (2007:26).

No employee earned £60,000 or more during the year.

# THE LONDON BAPTIST ASSOCIATION

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 2008 (continued)

<b>11</b>	<b>SUBSCRIPTIONS AND DONATIONS</b>		<b>2008</b>	<b>2007</b>
			<b>£</b>	<b>£</b>
	Baptist Union of Great Britain		1,001	972
	Evangelical Alliance		150	150
	London Church Leaders' Secretary		2,475	2,400
	Churches together in North London		200	-
	Churches together in South London		1,850	1,800
	Churches together in Essex and East London		126	126
	Black and Asians Ministers' Forum		600	43
	Churchlink in West London		-	216
	Free Church Higher Education Group		100	200
	Spurgeon's College		992	945
	Other		-	58
			<u>7,494</u>	<u>6,910</u>
<b>12</b>	<b>INVESTMENT INCOME</b>			
		<u>2008</u>	<u>2007</u>	
		<b>Group</b>	<b>Company</b>	<b>Group</b>
		<b>£</b>	<b>£</b>	<b>£</b>
	Rent from investment properties	42,310	7,006	39,953
	Dividends	764,208	62,448	60,445
	Interest on short term deposits	<u>40,896</u>	<u>30,632</u>	<u>633,884</u>
		<u>847,414</u>	<u>100,086</u>	<u>734,282</u>
<b>13</b>	<b>LIABILITIES FALLING DUE AFTER MORE THAN ONE YEAR</b>			
	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.			
<b>14</b>	<b>GENERAL RESERVE (GENERAL FUND)</b>		<b>2008</b>	<b>2007</b>
			<b>£</b>	<b>£</b>
	Proceeds of disposal of General Fund investments during the period		38,017	26,950
	Cost of investments realised		(31,694)	( 28,482)
	Realised gain transferred to/(from) General Reserve		6,323	(1,532)
	At 1st January 2008		<u>375,746</u>	<u>377,278</u>
	At 31st December 2008		<u>382,069</u>	<u>375,746</u>

**THE LONDON BAPTIST ASSOCIATION**

NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31ST DECEMBER 2008 (continued)

15 **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 2008 was 287.

16 **REVALUATION RESERVE**

	<i>Investment properties</i> £	<i>Investments</i> £	<i>Fixed assets</i> £	<i>Total</i> £
(a) <b>GROUP</b>				
Balance at 1st January 2008	630,545	325,259	295,139	1,250,943
Unrealised losses on revaluations in the period	-	(235,433)	-	( 235,433)
Realised losses on disposals	(165,000)	( 89,826)	-	( 254,826)
Balance at 31st December 2008	<u>465,545</u>	<u>-</u>	<u>295,139</u>	<u>760,684</u>
(b) <b>COMPANY</b>				
Balance at 1st January 2008	158,000	275,231	214,813	648,044
Unrealised losses on revaluations in the period	-	(185,405)	-	(185,405)
Realised losses on disposals	-	( 89,826)	-	( 89,826)
Balance at 31st December 2008	<u>158,000</u>	<u>-</u>	<u>214,813</u>	<u>372,813</u>

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> £
<b>Restricted Funds</b> (per note 8)	-	1,138,430	1,082,634	995,800	(48,825)	3,168,039
<b>Unrestricted Funds</b>						
Designated Funds (per note 7)	350,000	-	38,644	67,239	(91,721)	364,162
General Fund	765,137	1,057,316	-	741,882	140,546	2,704,881
General Reserve	-	382,069	-	-	-	382,069
	<u>1,115,137</u>	<u>2,577,815</u>	<u>1,121,278</u>	<u>1,804,921</u>	<u>-</u>	<u>6,619,151</u>

## THE LONDON BAPTIST ASSOCIATION

### NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 2008 (continued)

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#### 18 DIRECTORS

Directors were reimbursed travel expenses of £3,990 during the period.

The following directors received remuneration during the period:

	<i>Emoluments</i>	<i>Pension contributions</i>
	£	£
Rev P Took	25,760	3,756
Rev P Martin	27,780	3,998
Rev S Rajagopalan	22,080	3,314
Rev D Shosanya	22,080	-

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.

#### 19 PENSIONS

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

The main benefit provided by the Staff Scheme is a pension of one seventieth of the average salary over the last three years of employment. From 1 January 2009 employees pay 8% of their salary, and the employer pays the balance of the necessary contribution, currently 17.1%. 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 £5,797,000.

The main benefit provided by the Ministers' Scheme is a pension of one eightieth of final Minimum Pensionable Income together with additional pension in respect of premiums paid on Pensionable Income in excess of Minimum Pensionable Income. 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 Association is unable to identify its share of the underlying assets and liabilities of the schemes.

Due to the nature of the schemes, the charge for the period represents the employer contributions payable. The total pension cost for the Association is £12,637 (2007 £16,980).

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

The valuation of the Ministers' scheme 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 16% of pensionable income.

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

## THE LONDON BAPTIST ASSOCIATION

NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31ST DECEMBER 2008 (continued)

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### 20 INVESTMENTS IN SUBSIDIARIES

The London Baptist Association holds all of the 411 'A' voting shares in the London Baptist Property Board Ltd and 683 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 2008 were £2,535,912 (2007: £2,602,330).

A summary of income and expenditure is as follows:

	2008 £	2007 £
Incoming resources	913,173	813,378
Resources expended	<u>902,827</u>	<u>790,995</u>
Net incoming resources before revaluations	10,346	22,383
Gains and losses on revaluations and disposals of investment assets	(76,764)	(21,707)
Net movement in funds	<u>(66,418)</u>	<u>676</u>