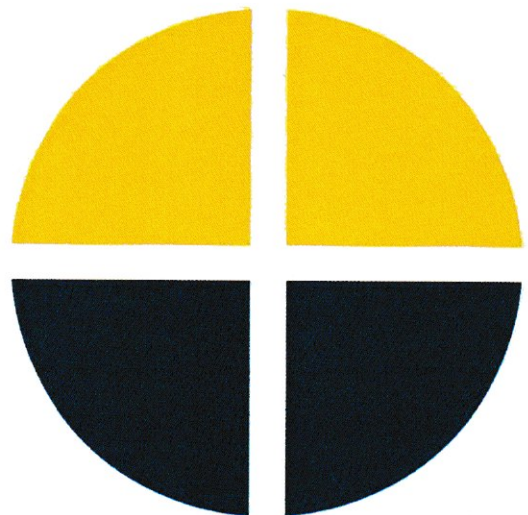


The Baptist Union of Scotland

Annual Report and Financial Statements

For the year ended 31 March 2024



Scottish Charity Number SC049047

A charitable company limited by guarantee registered in Scotland No. SC620266

LEGAL AND ADMINISTRATIVE INFORMATION

Directors

Rev Irene Campbell
Mr Stephen Hagan (Convenor)
Rev Dr Martin Hodson
Mrs Sylvia Jones
Mrs Ruth McCaig
Mr Duncan McGruer (resigned 11 July 2024)
Mr Alan Milnes
Rev Alistair Purss
Mr George Scott
Dr Brian Windram

Secretary

Dr Brian Windram

Charity number (Scotland) SC049047

Company number SC620266

Registered office 48 Speirs Wharf
Glasgow
G4 9TH

Auditor

Innes & Partners Limited
Chartered Certified Accountants and Statutory Auditors
9 Ardross Street
Inverness
IV3 5NN

Bankers

Bank of Scotland
Sauchiehall Street
PO Box 17235
Edinburgh
EH11 1YH

Virgin Money
Symington House
7-8 North Avenue
Clydebank Business Park
G81 2NT

Solicitors

Diakoneo Legal Services Limited
48 Spiers Wharf
Glasgow
G4 9TH

Investment advisors

Investec Wealth & Investment
5 George Square
Glasgow
G2 1DY

Website

www.scottishbaptist.com

The Baptist Union of Scotland

Annual Report and Financial Statements For the year ended 31 March 2024

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The Baptist Union of Scotland

Directors' Report for the year ended 31 March 2024

The Directors present their report and financial statements for the charity's year ended 31 March 2024.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Memorandum and Articles of Association, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

Objectives and activities

The Baptist Union of Scotland ("the Union") was originally formed in 1869 as an unincorporated voluntary association ("the Association") governed by its Constitution and was registered as a Scottish Charity with the Office of the Scottish Charity Regulator, No. SC004960.

Following a decision by the Baptist Assembly, The Baptist Union of Scotland (the charity) was incorporated in 2019 as a company limited by guarantee (No. SC620266) and is a recognised Scottish Charity (No. SC049047) governed by its Memorandum and Articles of Association.

The Union currently comprises 153 churches with approximately 9,500 members.

The Union's aims and objectives are the advancement of the religion by:

FELLOWSHIP

To strengthen fellowship among Baptists and with all who confess Jesus Christ as Lord by means of local churches, networks, conferences, Assemblies and publications; also by participation in wider Baptist groupings and interdenominational activities.

MISSION

To support and extend Christ's mission both at home and overseas through evangelism, church planting and caring ministries, including the relief of poverty and the benefiting and enhancement of the communities in which churches are situated.

SUPPORT

To offer support in maintaining and developing the work of the churches through accredited and grant-aided ministries, financial assistance with church buildings and expert help in all areas of church life.

CO-ORDINATION

To discover God's will and act together in matters of common concern relating to the life of the Union and the state of the nation.

BAPTIST WITNESS

To bear witness to Baptist principles and maintain records of the Union's life and work through study and research, interchurch dialogue, publications and historical archives.

The Baptist Union of Scotland

Directors' Report for the year ended 31 March 2024

Achievements and performance

The vision to see *Increase* in our churches is the focus of our network and we have continued to hold national, regional and local prayer gatherings centred around this ambition. The data we have gathered from churches for the year to 31 December 2023 indicates there has been measurable progress to this end. This does not indicate a dramatic turnaround but nevertheless reveals a clear change from decline to growth. We are seeing this as the 'firstfruits' of a greater increase which we still anticipate. Membership of Scottish Baptist churches increased in 2023 from 9,413 to 9,464; though this is a marginal increase it is the first time in decades that membership has not decreased. Although some of this growth undoubtedly includes transfers from other churches, the fact that we had the highest number of baptisms in the last decade (334) suggests that there is also a significant level of growth by people converting to Christianity.

Our target is to plant 40 new churches in the decade leading up to 2033. This year we successfully completed our first one-year training course for church planters in Partnership with Forge Scotland. We now have six church plants in action and a further 10 churches are currently seriously considering planting a new congregation. The Baptist Union of Scotland is also a partner in the newly formed Scottish Church Planting Network which is seeking to share learning by different denominations and networks across the country.

Our work continues to give a high priority to supporting the healthy development and growth of all our churches. The revitalisation of smaller diminishing churches is a key area of concern and this year we began a 'revitalisation cohort' which has drawn together the leaders of some of these churches with others who have enabled small and declining churches to begin growing again. It has also become clear that leaders of our larger churches (over 150 members) face unique challenges and we have formed a network for Leaders of Larger Churches. We have created many opportunities for Continuing Ministry Development through workshops, a new Bible Day Conference for ministers, and learning communities for leadership teams run in partnership with Lead Academy. We have taken a further cohort through Training Hub, our one year leadership training programme for young adults, and continue our partnership with the large national youth event, *Magnitude*.

We have provided support for ministers and churches at points of particular need, through the resources of the National Team, the Regional Pastors, the Peaceful Transformations Team and the Settlement Process. The Baptist Union Solicitor provides legal support to churches and in particular has assisted a continuing stream of churches in the process of incorporation as SCIOs.

Following the success of the first iteration of *Canopy*, our national gathering for all ages, we ran this again in June 2023. We moved the venue to Larbert High School where there was greater capacity which enabled us to accommodate around 360 participants, a 20% increase on the previous year.

Monitoring Achievement

The Directors, as the charity's Trustees, meet at least three times a year, the Council has two meetings a year, and we hold our annual AGM in autumn. On all of these occasions we review our past and present activities and discuss future strategies.

Financial Review

Principal sources of funds

The principal source of funding to the Baptist Union is through giving by churches to the Scottish Baptist Fund (SBF). Assembly through Council agrees each year the per capita figure which is the basis of the

The Baptist Union of Scotland

Directors' Report for the year ended 31 March 2024

giving to SBF. In the year to March 2024, the per capita figure was £42 per member. Efforts continue to be made to maximise contributions to SBF. Other income sources are occasional legacies, sales of property and income from investments.

Results for the year

The Statement of Financial Activities on page 12 reflects a Net Surplus for the year and a positive Net Movement in Funds of £262,531. Income for the period included a realised gain of £73,229 from the disposal of one of our retirement properties which was vacated during the year. The Partick Baptist Church property was also sold at book value during this financial year.

Strong continuing support by our member churches has kept our current year regular income at a stable level. It should be noted however that our income this year has been boosted by three very welcome and generous legacies totalling £296,563.

The regular costs of charitable activities increased by almost £70,000 during the year after adjusting for last year's impairment charge made to reflect the reduction in the value of the Partick Baptist Church property. These costs include ministry and mission related gifts of £125,915 up from £89,112 in 2023. All of these costs are analysed in note 8 with some inflationary increases in salaries and an expansion of conferences and training provision for ministers and church leaders.

Despite ongoing volatile global and domestic economic conditions, the carrying value of our investment portfolio increased by £155,408 during the year recovering most of the revaluation losses experienced in 2023. This increase includes re-invested dividend income of £44,882 and net revaluation gains of £129,203.

Reserves Policy

The Directors' policy is to hold Unrestricted General Fund Reserves (as represented by the Scottish Baptist Fund) at a level which equates to around six to nine months costs of Unrestricted expenditure sufficient to maintain the Union's ongoing work. As indicated in Note 22, the Scottish Baptist Fund at 31 March 2024 amounted to £583,432 which is temporarily higher than normal due to the exceptional legacy income received during this year. Including the net book value of tangible fixed assets, the market value of investments and balances on Restricted Funds, total reserves at 31 March 2024 amounted to £4,673,914 and held as follows:

Restricted Funds	£995,334
Unrestricted Funds	£583,432
Designated Funds	£3,095,148

Investment Policy

The Directors have the power to invest in stocks and shares, investments and property in the UK and engage investment managers to implement this. The policy is to adopt a medium risk investment strategy to provide a good level of income and long-term growth from an ethically invested portfolio. During the period, the charity continued to use the services of Investec as Investment Managers.

Gift Policy

Resourcing Gifts are provided from the Union's Ministry Resource Fund and the Development Fund. Gift applications from member churches are administered by the Gift Group and reviewed annually. The Mission Initiative Fund supports pioneer moves either by churches into fresh areas or in the planting of new groups, smaller grants from this fund are agreed by the National Team with larger projects being administered by the Gift Group.

The Baptist Union of Scotland

Directors' Report for the year ended 31 March 2024

Risk Management

The Directors have formalised the process of evaluating the major risks faced by the charity and have implemented procedures to enable these risks to be mitigated. A risk register is in place covering all aspects of Union life and work under five headings; Strategic & Legal, Operational, Property, Employment, and Financial. This risk register is in the process of being developed further to ensure it is sufficiently comprehensive for our needs. All National Team and Directors' meetings review the impact of agenda items on the risk register.

Plans for the Future

We aim to support the continued momentum of the *Increase* vision, equipping all our churches in every way we can to be part of this. Having developed a new energy for praying regionally and nationally, we hope to build on this, moving to a point where the Baptist Union can be recognised as a 'network of prayer.' We are currently reviewing the training of ministers and leaders, in partnership with The Scottish Baptist College, with the intention of developing clearer and more fruitful pathways into ministry in its various forms. We will also redesign the Training Hub programme for younger leaders with the aim of making it relevant and accessible to more people and equipping more young adults to be leaders in existing churches and planters of new churches.

In November 2024 we will hold an Autumn Gathering for delegates from churches. This will include the AGM but provide an opportunity for wider sharing and deliberation of matters of common interest. Whilst the strategic decision-making of the Baptist Union of Scotland is delegated to the Council, our hope is that the Autumn Gathering will offer insights from the wider community which will enrich and inform the work of the Council.

Structure, governance and management

Governing document

The Baptist Union of Scotland Ltd (the charity) was incorporated on 5 February 2019 as a company limited by guarantee (No. SC620266) and is a recognised Scottish charity (No. SC049047) governed by its Memorandum and Articles of Association. In addition to a Board of executive and non-executive Directors, the charity has a Council comprising representatives of churches, National Team, representatives of other Baptist related organisations and members co-opted for particular skills.

Assembly through its AGM is the formal decision making forum of the Union, although much of the initial thinking, discussion and decision-making have been delegated by Assembly to the Council which meets at least twice annually. Delegation of appropriate responsibilities is further made to various Task Groups, some of which have ongoing responsibilities whilst others may be appointed for a specific one-off task.

The Directors who served during the year and up to the date of signature of the financial statements were:

The Baptist Union of Scotland

Directors' Report for the year ended 31 March 2024

Rev Irene Campbell
Mr Stephen Hagan (Convenor)
Rev Dr Martin Hodson
Mrs Sylvia Jones
Mrs Ruth McCaig
Mr Duncan McGruer (resigned 11 July 2024)
Mr Alan Milnes
Rev Alistair Purss
Mr George Scott
Dr Brian Windram

The General Director, Convenor, and Finance Director are the Office Bearers designated to sign documents. The National Team consists of two executive Directors plus the Development Leads and their responsibilities are as follows:

Convenor – Stephen Hagan

The Convenor is responsible for chairing and finalising the agenda for the Board of Directors, the Council and the Assembly.

General Director - Rev Dr Martin Hodson

In addition to the key role of the General Director within the Baptist Union, there are representational responsibilities in the Baptist World Alliance and the European Baptist Federation and to other Christian churches and UK and Scottish Parliaments.

Finance Director – Dr Brian Windram

The Finance Director is responsible for the management of the financial affairs of the Baptist Union.

Younger Generation Lead & Digital Church Lead – Rev Ali Laing

This role has responsibility for developing the lives of our next generations through training, experience and relationship. An additional digital church remit has been created to explore the potential for mission, worship and connectedness in the online and digital space.

Leadership Development Lead – Rev Andrew Clarke

This role is focused on equipping accredited ministers, leadership teams and emerging leaders.

Deeper Church Lead – Rev Lisa Holmes

This role promotes and encourages the transformative habits of prayer, spiritual formation and disciple-making in our network.

Communications Lead – Lyndsay Cameron-Ross

A role enabling the central team to engage positively with the churches and initiate new channels of communication for deepening togetherness within our network.

Future Church Lead – Rev Glenn Innes

This role involves coaching and advising those who are developing new churches and new church plants and supporting missional reshaping and innovation in existing churches.

Appointment and induction of Directors

The Directors of the charitable company are its Trustees for the purpose of charity law and throughout this report are collectively referred to as Directors.

The responsibilities of Directors, in accordance with relevant Charities legislation and good practice, are to oversee the legal, financial, charitable and strategic life of the Union. To enable the Directors to fulfil their responsibilities, all records of meetings of the National Team, Task Groups, and other groups are provided to them.

The Baptist Union of Scotland

Directors' Report for the year ended 31 March 2024

Executive Directors are appointed by Council. Non-executive Directors are appointed by Assembly at the Annual General Meeting, the Board having power to co-opt during the year. Non-executive Directors shall be appointed for an initial period of three years and will thereafter be eligible for re-election for a further three year period. On completion of two consecutive three-year terms of service, a non-executive Director must stand down and will not be eligible for election until at least one year has elapsed from the end of the second three year term of service.

The Directors, by virtue of their appointment, are members of Council and Assembly and the Board of Directors meets at least three times a year.

Prior to their appointment, Directors are usually familiar with many aspects of the Union's work and with its Values and Aims and Objectives. On appointment, they receive an induction programme covering their statutory responsibilities and the general nature of their role. Non-executive Directors serve the charity on a voluntary basis.

New non-executive Directors are appointed for a 3 year term and are eligible for reappointment for one further term.

Key Management Personnel and Remuneration

The Directors consider the Board and the National Team (see Note 11) as the charity's Key Management Personnel with regard to directing, controlling and running the charity's daily activities. The salaries of the Key Management Personnel are based on graded multipliers of the Reference Stipend figure for churches agreed annually by Council.

Auditor

A resolution proposing that Innes & Partners, Chartered Certified Accountants and Statutory Auditors, be re-appointed as auditor of the charitable company will be put to the Annual General Meeting.

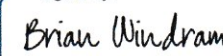
Disclosure of information to auditor

Each of the Directors has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

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

The Directors' Report was approved by the Board of Directors.

Signed by:


Dr Brian S Windram
Director

Dated: 27 August 2024

The Baptist Union of Scotland

Directors' Report for the year ended 31 March 2024

Statement of Directors' Responsibilities

The Directors, who are also the Trustees for the purpose of charity law, are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP FRS 102;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Baptist Union of Scotland

Independent Auditor's Report

To the Trustees of The Baptist Union of Scotland for the year ended 31 March 2024

Opinion

We have audited the financial statements of The Baptist Union of Scotland (the 'charitable company') for the year ended 31 March 2024 which comprise the Statement of Financial Activities (incorporating the Income and Expenditure Account), the Balance Sheets, the Statement of Cash Flows and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2024 and of the its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and Regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our Auditor's report thereon. The Directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

The Baptist Union of Scotland

Independent Auditor's Report

To the Trustees of The Baptist Union of Scotland for the year ended 31 March 2024

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report, prepared for the purposes of company law and included within the Directors' Annual Report, for the financial year for which the financial statements are prepared, is consistent with the financial statements, and
- the Directors' Report, included within the Directors' Annual Report, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a strategic report.

Responsibilities of Directors

As explained more fully in the Statement of Directors' Responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors (who are also the Trustees of the parent charitable company for the purposes of charity law) are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under Chapter 3 of Part 16 of the Companies Act 2006 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The Baptist Union of Scotland

Independent Auditor's Report

To the Trustees of The Baptist Union of Scotland for the year ended 31 March 2024

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

The extent to which the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charitable company through discussions with Directors and other management, and from our wider knowledge and experience of the charity sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company, including the Companies Act 2006, Charities SORP FRS 102, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

Audit response to risks identified

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 1 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- requesting correspondence with HMRC, OSCR and the legal advisors of the charitable company.

The Baptist Union of Scotland

Independent Auditor's Report

To the Trustees of The Baptist Union of Scotland for the year ended 31 March 2024

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the Directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our Auditor's report.

Use of our report

This report is made solely to the parent charitable company's Members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the parent charitable company's Trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the parent charitable company's Members and Trustees those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the parent charitable company, its Members as a body and its Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:
Jonathan Innes
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Jonathan N Innes FCCA
Senior Statutory Auditor
for and behalf of Innes & Partners Limited, Statutory Auditor

Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006.
9 Ardross Street
Inverness
IV3 5NN

Date: 27 August 2024

The Baptist Union of Scotland**Statement of Financial Activities (incorporating Income and Expenditure account)****For the year ended 31 March 2024**

	Notes	Unrestricted			Total 2024	Total 2023
		Unrestricted	Designated	Restricted		
		funds	funds	funds		
		£	£	£	£	£
Income from:						
Donations and legacies	3	703,308	4,200	1,335	708,843	428,749
Income from Charitable Activities	4	39,506	14,510	18,988	73,004	61,237
Investment Income	5	59,956	-	-	59,956	41,086
Other income	6	-	73,229	-	73,229	108,066
Total Income		802,770	91,939	20,323	915,032	639,138
Expenditure on:						
Raising funds	7	2,260	12,794	3,623	18,677	18,535
Cost of Charitable activities	8	594,034	158,157	10,836	763,027	826,634
Total Expenditure		596,294	170,951	14,459	781,704	845,169
Net gains/(losses) on investments	13	15,634	88,504	25,065	129,203	(141,273)
Net income for the year		222,110	9,492	30,929	262,531	(347,304)
Transfers between funds	21	-	-	-	-	-
Other recognised gains and losses						
Credit in respect of pension recovery plan	20	-	-	-	-	76,135
Net movement in funds		222,110	9,492	30,929	262,531	(271,169)
Fund balances at 1 April 2023		361,322	3,085,656	964,405	4,411,383	4,682,552
Total funds carried forward		583,432	3,095,148	995,334	4,673,914	4,411,383

The statement of financial activities includes all gains and losses recognised in the year/period.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

The notes on pages 15 to 32 form an integral part of these financial statements.

The Baptist Union of Scotland

Balance Sheet as at 31 March 2024

		2024		2023	
		£	£	£	£
	Note				
Fixed Assets					
Tangible Fixed Assets	14		942,289		1,277,810
Investments	15		<u>2,169,919</u>		<u>2,014,510</u>
			3,112,208		3,292,320
Current Assets					
Debtors	17	356,272		358,075	
Cash and Bank balances		743,706		798,368	
Cash Held on Deposit		<u>507,206</u>		<u>-</u>	
		1,607,184		1,156,443	
Creditors: amounts due within one year	18		<u>45,478</u>		<u>37,380</u>
Net Current Assets			1,561,706		1,119,063
Total assets less current liabilities			<u>4,673,914</u>		<u>4,411,383</u>
Provision for Liabilities	19		-		-
Net assets			<u>4,673,914</u>		<u>4,411,383</u>
Income funds					
Restricted Funds	22		995,334		964,405
Unrestricted Funds	22				
Designated funds		3,095,148		3,085,656	
General unrestricted funds		<u>583,432</u>		<u>361,322</u>	
			3,678,580		3,446,978
			<u>4,673,914</u>		<u>4,411,383</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Directors on 27 August 2024.

Signed by:

Brian Windram

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Dr Brian S Windram
Director

Company Registration No. SC620266

The notes on pages 15 to 32 form an integral part of these financial statements

The Baptist Union of Scotland

Statement of Cash Flows

For the year ended 31 March 2024

		2024	2023
		£	£
Cash flows from operating activities			
Cash generated from / (absorbed by) operations	25	6,869	(236,594)
Investing activities			
Purchase of tangible fixed assets	(1,734)	(3,130)	
Proceeds from sale of tangible fixed assets	387,453	330,918	
Transfers to Cash Held on Deposit	(507,206)	-	
Dividends/Interest received	59,956	41,086	
		<hr/>	<hr/>
Net cash generated from/(used in) investing activities:		(61,531)	368,874
Net cash used in financing activities		-	-
		<hr/>	<hr/>
Net increase /(decrease) in cash and cash equivalents		(54,662)	132,280
Cash and cash equivalents at the beginning of the year		798,368	666,088
		<hr/>	<hr/>
Cash and cash equivalents at the end of the year		<u>743,706</u>	<u>798,368</u>

The notes on pages 15 to 32 form an integral part of these financial statements

The Baptist Union of Scotland

Notes to the Financial Statements for the year ended 31 March 2024

1 Accounting policies

Charity information

The Baptist Union of Scotland is a private company limited by guarantee incorporated in Scotland. The registered office is 48 Speirs Wharf, Glasgow, G4 9TH.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Memorandum and Articles of Association, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the Directors have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Directors in furtherance of their charitable objectives.

Designated funds comprise funds which have been set aside at the discretion of the Directors for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid is recognised at the time of the donation.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that confirmation has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can

The Baptist Union of Scotland

Notes to the Financial Statements for the year ended 31 March 2024

be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of confirmation, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Income from Charitable Activities

Income from charitable activities includes income earned both from the supply of goods or services. Such income is recognised or earned as the related goods or services are provided.

Investment income

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank. Dividends are recognised when the shareholder's right to receive payment is established, measured at the fair value receivable. Generally this is upon notification by the investment advisor once the dividend has been declared.

Other income

Other income represents income that cannot be reported under the other analysis headings provided within the Statement of Financial Activities and is recognised when the charity is entitled to the income, it is probable that it will be received and the amount can be measured reliably by the charity.

Donated goods

Fixed asset gifts in kind are recognised when receivable and are included at fair value.

1.5 Expenditure

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured or estimated reliably.

Liabilities are measured on recognition at historical cost and then subsequently measured at the best estimate of the amount required to settle the obligation at the reporting date. The exception is that certain financial instruments must be adjusted to their present value; these include financial liabilities where settlement is deferred for more than 12 months after the reporting date.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings.

Raising Funds

Raising funds represents the fees charged for managing the charity's investment portfolio.

Charitable activities

Expenditure on charitable activities includes all costs incurred by the charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities. The costs of charitable activities presented in the Statement of Financial Activities includes the costs of both direct service provision and the payments of grant awards if applicable.

Governance costs

Governance costs (which are included as a component of support costs in accordance with SORP) comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include those related to constitutional and statutory requirements, external scrutiny (audit or independent examination), strategic management, and other legal and professional fees.

The Baptist Union of Scotland

Notes to the Financial Statements for the year ended 31 March 2024

Taxation and Irrecoverable VAT

The Baptist Union of Scotland is recognised as a charity by HM Revenue & Customs and is not liable for corporation tax on any surplus made on its charitable activities. No provision for corporation tax is made in the financial statements. The charity is not registered for VAT and expenditure therefore includes irrecoverable input VAT.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Property	over 50 years straight line method
Fixtures and equipment	25% on a straight line basis

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the period.

1.7 Fixed asset investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market value. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the period. Fair value is deemed to be market value.

1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Cash Held on Deposit

Cash held on deposit includes deposits held at call with banks with maturities of three months or more.

1.11 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

The Baptist Union of Scotland

Notes to the Financial Statements for the year ended 31 March 2024

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.12 Employee benefits

Employees of The Baptist Union of Scotland are members of the Baptist Pension Scheme in either the Ministers' section or the Staff section. From January 2012, these are both Defined Contribution Schemes, comply with the requirements of Auto Enrolment and contributions are charged to the Scottish Baptist Fund. Prior to January 2012, these Schemes were Defined Benefit Schemes. The Staff DB Scheme was subject to a buyout and closed in 2019. The Ministers' Scheme still has a deficit liability with agreed deficit contributions being made and charged to the Pension Reserve Fund. Note 20 provides further information about pension obligations.

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

The cost of providing benefits under defined benefit plans is determined separately for each plan using the projected until credit method and is based on actuarial advice.

The Baptist Union of Scotland

Notes to the Financial Statements for the year ended 31 March 2024

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The Baptist Union of Scotland

Notes to the financial statements for the year ended 31 March 2024

	Unrestricted		Restricted Funds £	Total 2024 £	Total 2023 £
	General Funds £	Designated Funds £			
3. Donations and legacies					
Contributions from Churches	402,395	-	-	402,395	407,083
Donations	4,350	4,200	75	8,625	6,513
Legacies receivable	296,563	-	-	296,563	13,903
Church & Manse loan fund	-	-	1,260	1,260	1,250
	<u>703,308</u>	<u>4,200</u>	<u>1,335</u>	<u>708,843</u>	<u>428,749</u>
4. Income from Charitable Activities					
Church & manse loan interest	-	-	6,963	6,963	531
Training & development	13,932	75	-	14,007	11,026
Canopy income	6,426	-	-	6,426	5,812
Rental income	10,285	14,435	12,025	36,745	36,925
Sundry income	8,863	-	-	8,863	6,943
	<u>39,506</u>	<u>14,510</u>	<u>18,988</u>	<u>73,004</u>	<u>61,237</u>
5. Investment income					
Income from listed investments	44,882	-	-	44,882	39,576
Interest receivable	15,074	-	-	15,074	1,510
	<u>59,956</u>	<u>-</u>	<u>-</u>	<u>59,956</u>	<u>41,086</u>
6. Other Income					
Gain on sale of property assets	-	73,229	-	73,229	108,066
	<u>-</u>	<u>73,229</u>	<u>-</u>	<u>73,229</u>	<u>108,066</u>

The Baptist Union of Scotland

Notes to the financial statements for the year ended 31 March 2024

	Unrestricted			Total 2024	Total 2023
	General Funds	Designated Funds	Restricted Funds		
	£	£	£	£	£
7. Raising funds					
Investment Management costs	2,260	12,794	3,623	18,677	18,535
	<u>2,260</u>	<u>12,794</u>	<u>3,623</u>	<u>18,677</u>	<u>18,535</u>
8. Cost of charitable activities					
Staff costs	420,616	12	-	420,628	392,789
Depreciation	2,537	17,528	2,966	23,031	31,881
Impairment	-	-	-	-	132,500
Premises costs	20,213	19,695	5,971	45,879	54,287
Running costs	44,931	168	509	45,608	42,560
Legal & Professional fees	10,523	1,115	190	11,828	4,968
Interest and finance charges	-	-	-	-	2,135
Governance costs	17,004	-	-	17,004	10,800
Canopy and committee costs	30,700	-	-	30,700	39,396
Affiliation & representation costs	14,150	-	-	14,150	13,762
CMD, conferences and training	26,891	1,393	-	28,284	12,444
Grant funding (Note 9)	6,469	118,246	1,200	125,915	89,112
	<u>594,034</u>	<u>158,157</u>	<u>10,836</u>	<u>763,027</u>	<u>826,634</u>
9. Gifts					
Ministry Resource gifts - churches	-	64,769	-	64,769	61,777
Ministry Initiative gifts - churches	-	11,000	-	11,000	8,767
Development fund gifts - churches	-	19,140	-	19,140	6,380
Other gifts - churches etc	5,885	3,450	-	9,335	6,485
Other gifts - ministers	584	-	1,200	1,784	2,075
Other financial support	-	19,887	-	19,887	3,628
	<u>6,469</u>	<u>118,246</u>	<u>1,200</u>	<u>125,915</u>	<u>89,112</u>
				Total 2024	2023
	£	£	£	£	£
Ministry Resource Gifts to churches					
Culloden Balloch	-	3,134	-	3,134	-
Stirling	-	708	-	708	8,500
Motherwell	-	8,333	-	8,333	8,333
Coastline	-	-	-	-	7,792
Ladywell	-	6,417	-	6,417	-
Stenhouse	-	5,200	-	5,200	5,200
Granton	-	6,030	-	6,030	4,523
Viewfield	-	4,675	-	4,675	3,400
Falkirk	-	9,800	-	9,800	9,800
Lerwick	-	8,972	-	8,972	6,729
Portobello	-	7,500	-	7,500	7,500
Perth	-	4,000	-	4,000	-
	<u>-</u>	<u>64,769</u>	<u>-</u>	<u>64,769</u>	<u>61,777</u>

The Baptist Union of Scotland

Notes to the financial statements for the year ended 31 March 2024

10. Statement of Financial Activities for the year ended 31 March 2023

	Unrestricted			2023 £
	General Funds £	Designated Funds £	Restricted Funds £	
Income from:				
Donations and legacies	422,072	5,352	1,325	428,749
Income from Charitable Activities	34,222	15,625	11,390	61,237
Investments income	41,086	-	-	41,086
Other Income	-	99,349	8,717	108,066
Total Income	<u>497,380</u>	<u>120,326</u>	<u>21,432</u>	<u>639,138</u>
Expenditure on:				
Raising funds				
Investment Management costs	1,946	13,179	3,410	18,535
Cost of charitable activities	547,832	266,788	12,014	826,634
Total expenditure	<u>549,778</u>	<u>279,967</u>	<u>15,424</u>	<u>845,169</u>
Net gains/(losses) on investments	(14,833)	(100,445)	(25,995)	(141,273)
Net income for the period	<u>(67,231)</u>	<u>(260,086)</u>	<u>(19,987)</u>	<u>(347,304)</u>
Transfers between funds	51,523	(54,523)	3,000	-
Other recognised gains and losses				
Credit in respect of pension recovery plan	-	76,135	-	76,135
Net movement in funds	<u>(15,708)</u>	<u>(238,474)</u>	<u>(16,987)</u>	<u>(271,169)</u>
Funds balances brought forward	377,030	3,324,130	981,392	4,682,552
Total funds carried forward	<u>361,322</u>	<u>3,085,656</u>	<u>964,405</u>	<u>4,411,383</u>

The statement of financial activities includes all gains and losses recognised in the year/period.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

The notes on pages 15 to 32 form an integral part of these financial statements.

The Baptist Union of Scotland

Notes to the financial statements for the year ended 31 March 2024

11. Employees

	2024 No.	2023 No.
Management	<u>13</u>	<u>13</u>

This represents a Full Time Equivalent of 8 staff.

Employment costs	2024 £	2023 £
Salaries	347,852	317,175
Social Security Costs	26,076	25,321
Pension Costs - defined contribution scheme	31,994	35,976
Pension Costs - defined benefit scheme	12	5,655
Other employee benefits	14,694	8,662
	<u>420,628</u>	<u>392,789</u>

There were no employees who received remuneration over £60,000 in the period.

Key Management Remuneration

In their roles as National Team members and therefore as key management personnel, Rev Martin Hodson, Rev Andrew Clark, Rev Ali Laing, Rev Lisa Holmes, Rev Glenn Innes, Dr Brian Windram and Lyndsay Cameron-Ross received total remuneration during the year of £303,296 (£275,698 for the year to 31 March 2023).

12. Net income/(expenditure) for the year

	2024 £	2023 £
Net income/(expenditure) for the year is stated after charging:		
Auditor's fees for the audit of the statutory financial statements	17,004	10,800
Depreciation of owned tangible fixed assets	23,031	31,881
Impairment of owned tangible fixed assets	0	132,500
	<u>40,035</u>	<u>175,181</u>

13. Net gains/(losses) on investments

	Funds		Total 2024 £	2023 £
	Unrestricted £	Restricted £		
Realised gain/(loss) on investment disposals	(881)	(212)	(1,093)	(7,117)
Unrealised movement in value of investments	105,019	25,277	130,296	(134,156)
	<u>104,138</u>	<u>25,065</u>	<u>129,203</u>	<u>(141,273)</u>

The Baptist Union of Scotland

Notes to the financial statements for the year ended 31 March 2024

14. Tangible Fixed Assets

	Properties £	Fixtures & Equipment £	Total £
Cost			
At 31 March 2023	1,496,204	20,603	1,516,807
Additions	-	1,734	1,734
Disposals	(471,515)	-	(471,515)
At 31 March 2024	<u>1,024,689</u>	<u>22,337</u>	<u>1,047,026</u>
Depreciation and impairment			
At 31 March 2023	225,065	13,932	238,997
Disposals	(157,291)	-	(157,291)
Depreciation charged in the year	20,494	2,537	23,031
At 31 March 2024	<u>88,268</u>	<u>16,469</u>	<u>104,737</u>
Carrying amount			
At 31 March 2024	<u>936,421</u>	<u>5,868</u>	<u>942,289</u>
At 31 March 2023	<u>1,271,139</u>	<u>6,671</u>	<u>1,277,810</u>

Cost/Valuations comprise the following:

The carrying value of properties includes the church property at Carbrain, Cumbernauld (£94,000) which is due to be conveyed to the local congregation at £nil value once certain legal matters have been resolved.

15. Fixed asset investments

	Listed Investments £	Investment property £	Total £
Fair value (market value)			
At 1 April 2023	1,906,222	108,288	2,014,510
Additions	172,704	-	172,704
Valuation changes	129,203	-	129,203
Disposals and fees	(146,498)	-	(146,498)
At 31 March 2024	<u>2,061,631</u>	<u>108,288</u>	<u>2,169,919</u>
Carrying amount			
At 31 March 2024	<u>2,061,631</u>	<u>108,288</u>	<u>2,169,919</u>
Property			
77 Brisbane Road, Largs		<u>108,288</u>	
Total Investments			<u>2,169,919</u>

The fair value of listed investments is determined by reference to the mid-market price on the relevant stock exchange on the balance sheet date. Investments at fair value comprise securities £2,041,025 (2023: £1,872,036) and cash within the investment portfolio £20,605 (2023: £34,185).

The investment property has been included at cost. The directors have carried out a valuation at the year-end reviewing sales of similar property in the area and have concluded a fair value of £110,000. The cost is not materially different from this valuation and is deemed to be the fair value at 31 March 2024.

The Baptist Union of Scotland

Notes to the financial statements for the year ended 31 March 2024

16. Financial Instruments		2024	2023	
		£	£	
Carrying amount of financial assets				
Debt instruments measured at amortised cost		1,474,931	1,148,780	
Equity instruments measured at cost less impairment		2,169,919	2,014,510	
		<u> </u>	<u> </u>	
Carrying amount of financial liabilities				
Measured at amortised cost		38,654	30,716	
		<u> </u>	<u> </u>	
17. Debtors		2024	2023	
		£	£	
Amounts falling due within one year:				
Church & Manse loans		47,654	66,772	
Prepayments and accrued income		132,251	7,663	
		<u> </u>	<u> </u>	
		179,905	74,435	
Amounts falling due after more than one year:				
Church & Manse loans		176,367	283,640	
		<u> </u>	<u> </u>	
Total debtors		<u> </u>	<u> </u>	
		356,272	358,075	
18. Creditors: falling due within one year		2024	2023	
		£	£	
Accruals and deferred income		38,654	30,716	
Other taxation and social security		6,824	6,664	
		<u> </u>	<u> </u>	
		45,478	37,380	
		<u> </u>	<u> </u>	
Deferred Income comprises:				
	2023	Released	Deferred	2024
	£	£	£	£
Holiday House Rental received in advance	3,700	(3,700)	-	-
Event Income received in advance	480	(480)	3,629	3,629
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	4,180	(4,180)	3,629	3,629
19. Provisions for liabilities		2024	2023	
		£	£	
Defined Benefit pension liability	Note 20	-	-	
		<u> </u>	<u> </u>	

The Baptist Union of Scotland

Notes to the financial statements for the year ended 31 March 2024

20. Pensions obligations (FRS102 disclosure)

The charity is a participating employer in the Baptist Pension Scheme ("the Scheme"), which is a separate legal entity administered by the Pension Trustee (Baptist Pension Trust Limited). The assets of the Scheme are held separately from those of the Employer and the other participating employers.

The Scheme, previously known as the Baptist Ministers' Pension Fund, started in 1925, but was closed to future accrual of defined benefits on 31 December 2011. Prior to this date, the main benefit provided through the Defined Benefit (DB) Plan was a pension of one eightieth of final minimum pensionable income for each year of pensionable service together with additional pension in respect of premiums paid on Pensionable Income in excess of Minimum Pensionable Income.

From January 2012, pension provision is being made through the Defined Contribution (DC) Plan within the Scheme. In general, Members pay 8% of their Pensionable Income and employers pay 6% of members' Pensionable Income into individual pension accounts, which are operated and managed on behalf of the Pension Trustee by Broadstone Corporate Benefits Ltd. In addition, the employer pays a further 4% of Pensionable Income to cover Death in Service Benefits, administration costs, and an associated insurance policy which provides income protection for Scheme members if they are unable to work due to long-term incapacity. This income protection policy has been insured by the Baptist Union of Great Britain with Aviva Limited. Members of the Basic Section pay reduced contributions of 5% of Pensionable Income, and their employers also pay a total of 5%.

The Scheme is considered to be a multi-employer scheme as described in Section 28 of FRS102. As it is not possible to attribute the Scheme's assets and liabilities to specific employers, the Scheme is accounted for as if the Scheme were a defined contribution scheme.

The BUS National Team and members of the staff team are eligible to join the Scheme.

Actuarial valuation as at 31 December 2019

A formal valuation of the DB Plan as at 31 December 2019 was carried out by a professionally qualified Actuary using the Projected Unit Method. At the valuation date the market value of the DB Plan assets was £298 million, whilst the level of assets needed to pay benefits was £316m, giving a deficit of £18m (equivalent to a past service funding level of 94%). The charity and the other participating employers in the DB Plan are collectively responsible for funding this deficit.

The key financial assumptions underlying the valuation were as follows:

<i>Type of financial assumption</i>	<i>%pa</i>
RPI price inflation assumption	3.20
CPI price inflation assumption	2.70
Minimum Pensionable Income increase adjustment (above CPI)	0.50
Pre-retirement assumed investment returns (gilt yield plus 1.75% pa)	2.95
Post-retirement assumed investment returns (including benefits matched by the insurance policy) (gilt yield plus 0.5%)	1.70
Minimum Pensionable Income increases (CPI plus 0.5%)	3.20
Deferred pension increases (based on RPI)	
- Pre April 2009	3.20
- Post April 2009	2.50
Pension increases	
- based on CPI with an annual floor of 0% and an annual cap of 5%	2.70

Mortality is assumed in accordance with 80% of the S3NA standard mortality table. Future improvements projected from 2013 in line with the CMI 2019 projection with a long term rate of improvement of 1.75%pa for males and 1.5%pa for females with the core smoothing parameter and with additional initial mortality improvement factor A=0.5%.

The next actuarial valuation of the DB Plan within the Scheme will begin in 2023 to reflect the position as at 31 December 2022.

The Baptist Union of Scotland

Notes to the financial statements for the year ended 31 March 2024

20. Pension obligations (FRS102 disclosure), continued

Recovery Plan

In addition to the contributions to the DC Plan set out above, where a valuation of the DB Plan reveals a deficit the Trustee and the BUGB Council agree to a rate of deficiency contributions from employers in the DB Plan. Following the 2019 valuation a Recovery Plan was signed in September 2020 under which deficiency contributions are payable until 30 June 2026. These contributions were broadly based on each employer's membership at 31 December 2014 and increase annually in line with increases to Minimum Pensionable Income as defined in the Rules.

On 30th June 2022 the Baptist Pension Scheme signed an agreement with the insurance company Just Group ("Just") to secure DB Plan members' pension benefits. Just are now providing financial backing for all pensions provided through the Scheme's DB Plan and following this transaction, the Scheme no longer has a shortfall. An updated Recovery plan was then signed in August 2022 under which recovery contributions from each participating employer in the DB Plan reduced to £1 per month from August 2022.

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Notes to the financial statements for the year ended 31 March 2024

21. Transfers between funds

		Unrestricted funds £	Designated funds £	Restricted funds £	Total funds £
Year ended 31 March 2024					
Partick Church Disposal	1.	-	(199,689)	-	(199,689)
			199,689	-	199,689
Retirement Housing Disposal	2.	-	(187,765)	-	(187,765)
			187,765	-	187,765
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

1. Proceeds of sale transferred to Development Fund

2. Proceeds of sale transferred to Ministry Resources Fund.

Year ended 31 March 2023

General Fund	1.	50,000	(50,000)	-	-
Arran Manse Disposal	2.	-	-	(81,569)	(81,569)
				81,569	81,569
Uddingston Church disposal	3.	-	(249,349)	-	-249,349
		4,523	244,826	-	249,349
Minister Advisor Fund	4.	(3,000)		3,000	-
		<u>51,523</u>	<u>(54,523)</u>	<u>3,000</u>	<u>-</u>

1. Transfer of reserves to General fund from Development fund per budget

2. Proceeds of sale transferred to Church and Manse Loan Revenue fund.

3. Proceeds of sale transferred to Development fund and expenses reimbursed to General fund.

4. Transfer of funds to Ministry Advisor Fund from General fund

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Notes to the financial statements for the year ended 31 March 2024

22. Funds Summary

	Opening Balance £	Movements in Funds		Transfers £	Revaluations, gains & losses £	Balance at 31 March 2024 £
		Income £	Expenditure £			
Unrestricted Funds						
Scottish Baptist fund	361,322	802,770	(596,294)	-	15,634	583,432
Designated Funds (Revenue)						
Ministry Resources fund	266,602	-	(66,132)	187,765	9,431	397,666
Mission Initiative fund	109,374	-	(11,448)	-	3,101	101,027
Corunna House	1,198	-	-	-	-	1,198
Response	8,075	-	(1,950)	-	-	6,125
Retirement Housing - Revenue	63,138	14,435	(20,978)	(73,541)	73,541	56,595
Pension Reserve	324,838	-	(2,272)	-	15,634	338,200
Development Reserve	1,072,552	4,275	(50,643)	199,689	60,337	1,286,210
	1,845,777	18,710	(153,423)	313,913	162,044	2,187,021
Designated Funds (Property)						
BUS Offices - Speirs Wharf	198,190	-	(4,354)	-	-	193,836
Partick Church	200,000	-	-	(199,689)	(311)	-
Carbrain Church	94,000	-	(2,000)	-	-	92,000
Retirement Housing - Capital	747,689	-	(11,174)	(114,224)	-	622,291
	1,239,879	-	(17,528)	(313,913)	(311)	908,127
Restricted funds (Revenue)						
Church & Manse Loan - revenue	814,941	8,223	(3,623)	-	25,065	844,606
Holiday Housing - Revenue	6,989	12,025	(6,670)	-	-	12,344
Other Restricted - Ministry Advisor	2,927	75	(1,200)	-	-	1,802
	824,857	20,323	(11,493)	-	25,065	858,752
Restricted funds (Property)						
Church & Manse Loan - property	85,468	-	(1,819)	-	-	83,649
Holiday Housing - property	54,080	-	(1,147)	-	-	52,933
	139,548	-	(2,966)	-	-	136,582
Unrestricted funds	361,322	802,770	(596,294)	-	15,634	583,432
Designated funds	3,085,656	18,710	(170,951)	-	161,733	3,095,148
Restricted funds	964,405	20,323	(14,459)	-	25,065	995,334
Total Funds	4,411,383	841,803	(781,704)	-	202,432	4,673,914

The Baptist Union of Scotland**Notes to the financial statements for the year ended 31 March 2024****22. Funds summary for the period to 31 March 2023**

	Opening Balance £	Movements in Funds Income £ Expenditure £		Transfers £	Revaluations, gains & losses £	Balance at 31 March 2023 £
Unrestricted Funds						
Scottish Baptist fund	377,030	497,380	(549,778)	51,523	(14,833)	361,322
Designated Funds (Revenue)						
Ministry Resources fund	341,003	-	(63,241)	-	(11,160)	266,602
Mission Initiative fund	122,296	-	(9,249)	-	(3,673)	109,374
Corunna House	1,198	-	-	-	-	1,198
Response	9,075	-	(1,000)	-	-	8,075
Retirement Housing - Revenue	65,608	15,400	(17,870)	-	-	63,138
Pension Reserve	277,428	-	(10,218)	-	57,628	324,838
Development Reserve	958,185	5,577	(18,931)	194,826	(67,105)	1,072,552
	1,774,793	20,977	(120,509)	194,826	(24,310)	1,845,777
Designated Funds (Property)						
BUS Offices - Speirs Wharf	202,544	-	(4,354)	-	-	198,190
Partick Church	339,500	-	(139,500)	-	-	200,000
Carbrain church	96,000	-	(2,000)	-	-	94,000
Uddingston Church	150,000	-	-	(249,349)	99,349	-
Retirement Housing - Capital	761,293	-	(13,604)	-	-	747,689
	1,549,337	-	(159,458)	(249,349)	99,349	1,239,879
Restricted funds						
Church & Manse Loan - revenue	760,996	1,781	(3,410)	81,569	(25,995)	814,941
Holiday Housing - Revenue	3,578	10,859	(7,448)	-	-	6,989
Other Restricted - Ministry Advisor	1,452	75	(1,600)	3,000	-	2,927
Church & Manse Loan - property	160,139	-	(1,819)	(81,569)	8,717	85,468
Holiday Housing - property	55,227	-	(1,147)	-	-	54,080
	981,392	12,715	(15,424)	3,000	(17,278)	964,405
Unrestricted funds	377,030	497,380	(549,778)	51,523	(14,833)	361,322
Designated funds	3,324,130	20,977	(279,967)	(54,523)	75,039	3,085,656
Restricted funds	981,392	12,715	(15,424)	3,000	(17,278)	964,405
Total Funds	4,682,552	531,072	(845,169)	-	42,928	4,411,383

23. Purposes of Funds

Designated Funds - The income funds of the charity include funds which have been set aside out of unrestricted funds by the Directors for specific purposes:

Mission Initiative fund

Provides grants for new initiatives in mission.

Retirement Housing - Revenue

Receives rental income and meets the costs of maintaining the retirement property portfolio.

Corunna House

Funds from the sale of a property in Corunna Street used for the support of the needy.

Pension Reserve

To provide support for the settlement of Minister's Pension Scheme employer debts in special circumstances.

Response

Enables the General Director to respond at their discretion to special needs.

Ministry Resources fund

Provides grants to support churches engaging pastors or additional workers.

Designated Property funds

Represents the net book value of properties held by Unrestricted funds.

Development Reserve

Represents proceeds from capital assets and other excess funds for investment in the 'increase vision' including church planting, training pathways and regional prayer events.

Restricted Funds - The income funds of the charity include restricted funds comprising the unexpended balances of donations and grants held on trust for specific purposes:

Church & Manse Loan fund

Provides loans assistance to churches constructing, buying or improving church buildings.

Holiday Housing

Established by the gift of a property to the Union for the purposes of providing subsidised holiday accommodation for Scottish Baptist ministers and their families.

Ministry Advisor Fund

This is a fund by which the General Director may, at their discretion, give financial support to Ministers.

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24. Analysis of net assets between funds

	Unrestricted funds £	Designated funds £	Restricted funds £	Total £
Fund balances at 31 March 2024 are represented by:				
Tangible assets	5,868	799,839	136,582	942,289
Investments	250,000	1,519,919	400,000	2,169,919
Current assets	373,042	775,390	458,752	863,478
Current and other liabilities	(45,478)	-	-	(45,478)
	<u>583,432</u>	<u>3,095,148</u>	<u>995,334</u>	<u>3,930,208</u>

	Unrestricted funds £	Designated funds £	Restricted funds £	Total £
Fund balances at 31 March 2023 represented by:				
Tangible assets	6,671	1,131,591	139,548	1,277,810
Investments	200,000	1,464,510	350,000	2,014,510
Current assets	192,031	489,555	474,857	1,156,443
Current and other liabilities	(37,380)	-	-	(37,380)
	<u>361,322</u>	<u>3,085,656</u>	<u>964,405</u>	<u>4,411,383</u>

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Notes to the financial statements for the year ended 31 March 2024

25 Cash generated from operations

	2024	2023
	£	£
Net income for the year	262,531	(271,169)
Adjustments for:		
Investment income recognised in statement of financial activities	(59,956)	(41,086)
Fair value gains and losses on investments (excl dep'n)	(228,638)	12,168
Uddingston Church conveyed on dissolution	-	-
Depreciation and impairment of tangible fixed assets	23,031	164,381
Movements in working capital:		
(Increase) / decrease in debtors	1,803	(40,023)
Decrease in creditors	8,098	(60,865)
Cash generated from/ (absorbed by) operations	<u><u>6,869</u></u>	<u><u>(236,594)</u></u>

26. Directors

None of the Directors (or any persons connected with them) received any remuneration or benefits in their capacity as Directors from the charity during the year (£nil for the year to 31 March 2023). See Note 27.

27. Related Party Transactions

Rev Martin Hodson, who is a director of the charity, received a salary of £55,134 (2023: £51,069), pension benefits of £5,480 (2023: £5,092) and had council tax paid of £3,007 (2023: £2,886) for his role as a National Team member for the year ended 31 March 2024.

Dr Brian Windram, who is a director of the charity, received a salary of £25,542 (2023: £19,668), pension benefits of £2,538 (2023: £1,884) for his role as a National Team member for the year ended 31 March 2024.

One non-executive Director is a leader in a church who received support from the Union by way of loan. No non-executive Director is part of the review and award process for grants or loans.

Mr Alan Holloway, who is a member of Council, the decision-making body of the charity, received a salary of £23,600 (2023: £27,392), pension benefits of £2,392 (2023: £2,731) for his role as a in house solicitor for the year ended 31 March 2024. BUS made payments of £10,510 during the year to Diakoneo Legal Services Limited of which Alan Holloway is a Director.

There were no other related party transactions.