

Heart of England Baptist Association, Annual General Meeting – 22nd April 2023

Finance report

We present to this AGM a brief report on the draft accounts of the Association for the year ended 31st December 2022.

The annual report and financial statements are being prepared and will soon be going through audit. Once audited and signed off, they will be circulated to churches in due course.

Looking back at 2022:

To set the context for our financial performance, it's worth reminding ourselves that a deliberate policy decision was made in previous years to invest in people to support ministers and churches (you can see this through our Regional ministers team structure and the work they do). And we agreed to fund this through our reserves.

Like many of our fellow associations, 2022 had its financial challenges and our performance was impacted by: **1. Increased costs due to inflation 2. A reduction in overall HM funding**

Our overall outturn for 2022 is an underlying deficit of c£250,000. This is the outworking of the proactive policy to invest in people and it is in line with our budgeted figures for last year.

We had some highlights too:

- awarded grants in excess of £150,000 to 34 churches, organisations and individuals
- our staff continue to provide strong support, resources and assistance to churches – a direct benefit of investing in people
- our investment funds have produced strong and stable dividend performance, generating a return of over £100,000
- successfully relocated our offices from Selly Oak to here and the space has been serving us well

Overall, the Association's finances remains extremely healthy at this point with total net assets of around £2.9m.

As trustees we are fully aware that the underlying deficit needs to be addressed in future years if we're to remain financially stable.

Looking forward to 2023 and beyond:

There's no respite in sight with the financial challenges in 2023 for the country as a whole and for us. Cost pressures continue, Home Mission funding continues to diminish and our cost base remains high.

We are forecasting a deficit of over £300,000 for this year and potentially future years.

Our level of reserves allows us to bear these losses in the medium term but we have taken the opportunity to review the structure and cost base of the association in order to continue supporting our ministers and churches in a cost-effective manner.

We give thanks and praise to God for what He has enabled the association to do up to now and especially for the lives that have been impacted by the missions and ministries we have supported over the years.