

Southern Counties Baptist Association

(A Company Limited by Guarantee)

Charity Number : 1091066
Company Number : 04279837

Trustees' Report and Financial Statements

For the year ended 31 December 2012

Southern Counties Baptist Association

Trustees' & Directors' Report

Legal and Administrative Information

Trustees and Directors	Mrs Angela Baker Revd Anthony Clarke Revd Ray Coates Mr Geoff Coop Revd Jenny Elliot Mrs Melvina Fawcett Mr Edward John Greenwood Mrs Lesley Hart Revd Jonathan Hunt Revd James Neve Revd Grenville Overton Mr Robin Urwin Revd Jack Walker Revd Keith Wilson	appointed 06/06/12 appointed 16/10/08 appointed 11/10/07 appointed 22/10/09 appointed 26/08/07 appointed 28/06/07 appointed 15/09/11 appointed 27/11/12 appointed 27/11/12 appointed 18/10/10 appointed 01/01/08 appointed 11/10/07 appointed 16/10/08 appointed 16/10/08	resigned 07/12/12
Secretary	Revd Keith Hawton up to 06/12/12 Mr Jonathan Spiller from 07/12/12		
Treasurer	Mr Edward John Greenwood		
Registered Office & Principal Address	Southern Counties Baptist Association Baptist House 129 Broadway Didcot OX11 8XD		
Charity Number	1091066		
Company Number	04279837		
Auditors	Wilkins Kennedy LLP Bridge House London Bridge London SE1 9QR		
Bankers	HSBC 186 Broadway Didcot OX11 8RP CAF Bank Ltd 25 Kings Hill Avenue Kings Hill West Malling ME19 4JQ		

Southern Counties Baptist Association

Report of the Trustees and Directors for the year ended 31 December 2012

Introduction

The Trustees, who are also Directors of the Association for the purposes of the Companies Act 2006, submit this report and the audited financial statements for the period 1 January to 31 December 2012, in accordance with the Act, the Charities Act 2011 and the governing instrument. The Association was incorporated as a private limited company on 31 August 2001 and is governed by Articles and Memorandum of Association.

The Southern Counties Baptist Association (also known as SCBA) is a registered charity (number 1091066) that exists 'for the advancement of the Christian religion especially by means of and in accordance with the principles of the Baptist denomination as set out for the time being in the Declaration of Principle of the Baptist Union of Great Britain'.

Member churches of the Association are mainly located in Berkshire, Dorset, Gloucestershire, Guernsey, Hampshire, Isle of Wight, Oxfordshire and Wiltshire. Churches are also located in Buckinghamshire, Middlesex, Northamptonshire, Surrey, Sussex and Warwickshire.

During 2012, the Association sought to continue the aims set out in its Mission Statement – 'On a mission ... together'. This aim is summarised by the following four objectives:

- Building strong relationships
- Growing healthy churches
- Resourcing effective mission
- Enabling lifelong discipleship

Public Benefit

The trustees confirm that they have referred to the guidance contained in the Charity Commission general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities.

Association Council of Trustees and Directors

At 31 December 2012, 172 churches were in membership of the Association. The Council (known as the Steering and Strategy Group) conducts the ongoing business of the Association. The Council has appointed the Finance Task Group, Pastoral Task Group, Staffing Task Group and Appointments Task Group.

The Council consists of the following (elected or appointed in accordance with the Articles and Memorandum of Association).

- 12 members from the churches elected for a term of three years at the Annual General Meeting
- Moderator and Treasurer elected for a term of three years at the Annual General Meeting
- Up to four Regional Ministers
- One representative nominated by Regent's Park College, Oxford, and appointed by the Trustees

In addition, the Council may co-opt up to six additional members. The members of the Council (Steering and Strategy Group) during the period are shown on page 1 of this report.

Induction of new Trustees is arranged as required, and training has been undertaken by the Trustees. Training needs continue to be considered by the Trustees.

Relations with External Organisations

The Association is a member of the Baptist Union of Great Britain, Baptist House, PO Box 44, 129 Broadway, Didcot, Oxfordshire OX11 8RT (telephone 01235 517700). Relationships are also maintained with BMS World Mission, other Regional Baptist Associations in the United Kingdom, Affiliated Baptist Colleges, other denominations and appropriate ecumenical groups. The Association is represented on the Baptist Union Council and other committees of the Baptist Union of Great Britain.

Revd Grenville Overton is a member of the Baptist Union's National Settlement Team (NST) as a significant part of the pastoral care of churches and ministers related to the process of finding new ministers for churches and helping in the settlement process. Throughout 2012 Revd Keith Hawton was a member of the Baptist Union's Grants Committee dealing with the financing of churches supported by the Baptist Home Mission Fund.

Southern Counties Baptist Association

Report of the Trustees and Directors for the year ended 31 December 2012 (continued)

Association Staff

The following staff served the Association during 2012:

Revd Grenville Overton (Regional Minister/Team Leader, Pastoral Oversight South and West)
Revd Colin Norris (Regional Minister Pastoral Oversight North and Mission Development)
Revd Lynn Green (Regional Minister Pastoral Oversight Central) half time
Revd Jacky Storey (Regional Minister Pastoral Oversight South East and Children, Youth and Families) half time
Revd Keith Hawton (Association Administrator/Company Secretary) 20 hrs per week, retired on 31 December 2012.
Mrs Patricia Criddle (Office Administrator) 25 hrs per week, retired 31 July 2012.
Miss Stella Charles (Administrative Assistant) 12 hrs per week.

During the year a review of the administrative support staff roles was undertaken resulting in the consolidation of the Association Administrator and Office Administrator roles and function. The 45 hours per week of person time has been replaced by volunteer support and the appointment of a 20 hour per week Administrative Manager, the latter taking up their post during January 2013.

Volunteers

The work of the Association would not be possible without the commitment and generosity of the many volunteers serving on Task Groups and offering time and expertise to member churches and to staff. The Association is extremely grateful to all those individuals and groups for their partnership in this work.

Meeting our objectives

The work and support undertaken by the Association Regional Ministry Team, the administrators and volunteers seeks to meet our objectives; the following highlight this work and the events arranged in 2012.

Building Strong Relationships

- Leaders' Days were attended by 125 in June and 100 in November
- Annual Ministers' Conference, attended by delegates from within the Association
- Some regular monthly meetings for ministers for mutual support and encouragement
- Sector and Seconded Chaplains meetings
- Our Youth Specialists (employed by churches in the SCBA) continue to be brought together regularly for peer support
- The Regional Ministers spent time with individual ministers, with diaconates and with candidates for ministry and sharing in the education and training of student ministers and youth specialists.

Growing Healthy Churches

- The Regional Ministers gave regular input to individual churches about good practice, backed up by the resources of Baptist House, as well as being involved in conflict resolution when necessary
- A monthly email to all churches offers regular advice on many issues, helping the ministers and deacons to lead their churches well
- Advice was given to individual churches about various current issues
- Safeguarding training is being run across the association in the light of revised national policies and procedures.

Resourcing Effective Mission

- Advice is given on mission by the Regional Ministers as requested by individual churches. This is done in a more formal way through the Mission Consultancy run by the Association whereby pairs of Consultants, trained within the Association, work alongside churches for a period of one year. This is a rolling programme both in terms of training the Consultants and serving the churches.

Southern Counties Baptist Association

Report of the Trustees and Directors for the year ended 31 December 2012 (continued)

- A series of seminars on the theme of "Women in Ministry" took place over six months and was attended by more than 40 women from the association
- The Regional Ministry Team and the Finance Task Group vetted and advised on the applications for Home Mission grants from 15 churches and 10 non church organisations, which were then forwarded to the Baptist Union for approval.
- During 2012 the Association actively participated in the "Futures Review" of the workings and restructuring of the Baptist Union through internal meetings and the participation of Officers and Association representatives at meetings of the Baptist Union Council.

Enabling Lifelong Discipleship

- The SCBA participates in the Footsteps course run by Regent's Park College, Oxford University. The course is led by Mrs Anne Lane as Community Tutor in partnership with the Association. The College offers a year long course to between 20 and 30 students, meeting once a month on a Saturday, together with courses offered in an evening over periods of 6 to 8 weeks based on one evening per week.
- The testing of the call to ministry is carried out by a Pastoral Task Group (PTG) of the Association who, along with the Regional Ministers, also oversee the development of Ministers during the first three years of ministry. Annual training is given to the PTG.

Future Activities

- The Association will continue to provide support to member Churches and ministers during the coming year. A programme of training events and educational seminars is planned throughout 2012. In addition, the Council and the Regional Ministry Team will consider ways in which the Association's services to churches can be further developed.

Financial Performance

Financial Activities

The Financial Statements for the period 1 January to 31 December 2012 have been prepared in accordance with the requirements of the Companies Act 2006, the Charities Act 2011 and the Statement of Recommended Practice (SORP) : Accounting and Reporting by Charities issued in March 2005.

A number of grants were made to individuals for education and development, and loans were made to churches for building work. The Association administers the grant application process on behalf of Home Mission for the Baptist Union in respect of member churches and sector ministries (eg chaplains in higher education and industry).

Principal sources of Funding

The Association has a major responsibility for encouraging churches to donate funds for the Baptist Home Mission Appeal but such encouragement is limited to drawing attention to the need and benefits during meetings and sermons, in monthly newsheets and in letters from the Treasurer. The Association does not conduct fundraising events, lotteries, or sell goods to raise funds for Home Mission. The Association is not permitted to raise funds to meet its operational or administrative costs, other than to meet the expenses of events, such as training days. However the Association does receive gifts towards to Confidential Fund, established to relieve the hardship of retired minister or their widows. A quarter of the money raised for Baptist Home Mission in 2011 was returned to the Association to cover staff salaries and administrative costs in 2012. This is the principal source of income to cover the operating costs of the Association. For 2013 and beyond a new pattern of allocation is being applied.

Reserves

Funds not needed for immediate purposes are deposited with the Baptist Union Corporation Ltd (BUC), which employs investment managers. The Baptist Union Trustees monitor investment performance.

Southern Counties Baptist Association

Report of the Trustees and Directors for the year ended 31 December 2012 (continued)

The Association had Unrestricted General Funds of £787,356 (£789,046 in 2011) at the period end. At present three of the Regional Ministers receive a Housing allowance but the Trustees recognised that there is the probability of having to purchase two properties in the future. Average house values in our geographical area would suggest that £750,000 would be needed to fulfil this requirement.

The Trustees have agreed that the Association should retain reserves equivalent to nine months running costs (£196,500) within the Unrestricted Funds. Funds amounting to £686,990 are held as Designated Loan Funds for interest free loans to churches.

Risk Management

The comprehensive risk management review carried out in 2010 resulted in a risk register being adopted by the Council as Trustees. During 2012 work continued to be ongoing to identify risks and to ensure that controls are in place to mitigate the risks as recorded on the register. Where appropriate, risks are covered by insurance.

Trustees' responsibilities in relation to the financial statements

The trustees (who are also directors of Southern Counties Baptist Association for the purposes of company law) are responsible for preparing the Trustees' Annual 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 trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for the year. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements 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 accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware, and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

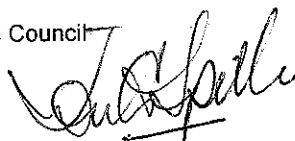
Auditors

Wilkins Kennedy LLP have expressed their willingness to continue in office and a resolution for their re-appointment will be proposed at the Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to smaller companies and in accordance with the Financial Reporting Standard for Smaller Entities (April 2008).

Signed on behalf of the Council

Jonathan Spiller
Company Secretary



Date: 3 July 2013

Southern Counties Baptist Association

Independent Auditors Report to the Members

We have audited the financial statements of Southern Counties Baptist Association for the year ended 31 December 2012 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an auditors 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 trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement set out on page 5, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2012, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (applicable to smaller entities); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime.

W. I. Kennedy LLP

P Barton (Senior Statutory Auditor)

For and on behalf of Wilkins Kennedy LLP, Chartered Accountants

Date: *12-5-13 2013*

Bridge House
London Bridge
London SE1 9QR

Southern Counties Baptist Association

Statement of Financial Activities/Income and Expenditure Account and Statement of Total Recognised Gains and Losses for the year ended 31 December 2012

	Notes	Unrestricted			Total 2012	Total 2011
		General Funds	Designated Funds	Restricted Funds		
		£	£	£	£	£
INCOMING RESOURCES						
Incoming resources from generated funds:						
Income from Baptist Union of Great Britain	2c	150,374	-	-	150,374	149,188
Investment Income	2b	10,611	259	1,909	12,779	11,677
Income from other sources	2d	65,903	-	3,711	69,614	157,390
TOTAL INCOMING RESOURCES		226,888	259	5,620	232,767	318,255
RESOURCES EXPENDED						
Charitable Expenditure	3b	221,302	-	6,135	227,437	259,348
Governance Costs	3c	3,500	-	-	3,500	2,715
TOTAL RESOURCES EXPENDED		224,802	-	6,135	230,937	262,063
NET OPERATING SURPLUS/(DEFICIT)						
NET INCOME/(EXPENDITURE) FOR THE YEAR		2,086	259	(515)	1,830	56,192
OTHER RECOGNISED GAINS AND LOSSES						
Realised and unrealised gains and losses on investment assets		-	461	991	1,452	(753)
NET MOVEMENT OF FUNDS		2,086	720	476	3,282	55,439
FUND BALANCES						
1 January 2012		1,479,330	18,273	131,036	1,628,639	1,573,200
31 December 2012		£1,481,416	£18,993	£131,512	£1,631,921	£1,628,639

There were no recognised gains or losses other than those shown in the Statement of Financial Activities.

There were no acquisitions or discontinued operations during either of the above two financial years.

The notes on pages 9 to 17 form an integral part of these financial statements.


Southern Counties Baptist Association

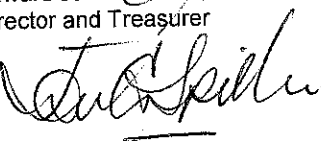
**Balance Sheet
As at 31 December 2012**

	Notes	2012 £	2011 £
FIXED ASSETS			
Investments	5	<u>61,299</u>	<u>59,847</u>
CURRENT ASSETS			
Debtors : Amounts falling due within one year	6	64,435	917
Debtors : Amounts falling due after more than one year	6	354,350	399,666
Deposit Accounts - BUC & COIF	7	1,129,667	1,117,440
Cash at bank and in hand	8	<u>26,940</u>	<u>62,775</u>
		1,575,392	1,580,798
CREDITORS : amounts falling due within one year	9	<u>(4,770)</u>	<u>(12,006)</u>
NET CURRENT ASSETS		1,570,622	1,568,792
NET ASSETS		<u>1,631,921</u>	<u>1,628,639</u>
ACCUMULATED FUNDS			
Restricted funds	10a	131,512	131,036
Designated funds	10b	18,993	18,273
General funds	10b	<u>1,481,416</u>	<u>1,479,330</u>
		<u>1,631,921</u>	<u>1,628,639</u>

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (April 2008).

Approved by the Trustees and Directors of the Association on 3 July 2013
and signed on its behalf by


Edward John Greenwood
Director and Treasurer


Jonathan Spiller
Company Secretary

The notes on pages 9 to 17 form an integral part of these financial statements.

Notes to the financial statements for the year ended 31 December 2012

1 ACCOUNTING POLICIES

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

Accounting convention

The financial statements are prepared under the historical cost convention, with the exception of investments which are included at market value, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008), applicable UK Accounting Standards and Statement of Recommended Practice 'Accounting and Reporting by Charities' (SORP 2005). Exemption provided by Financial Reporting Standard 1 has been taken, and a Cash Flow Statement has not been prepared.

Basis of Preparation

- a) Recognition of incoming resources. These are included in the SOFA when
 - the SCBA becomes entitled to the resources,
 - the Trustees are virtually certain they will receive the resources, and
 - the monetary value can be measured with sufficient reliability.
- b) Recognition of resources expended. These are included in the SOFA on an accruals basis.

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

Governance costs include those incurred in the governance of the charity and are primarily associated with constitutional and statutory requirements.
- c) Expenditure on office furniture and computer equipment is written off as incurred.
- d) Investments are included at market value at the balance sheet date. Any gain or loss on revaluation is taken to the SOFA
- e) Funds are accounted for under two categories:
 - i) Unrestricted Funds comprising those funds which can be used in accordance with the Association's charitable objects at the discretion of the Trustees
 - ii) Restricted Funds can only be used for particular restricted purposes within the charitable objects. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.
 - iii) Designated funds comprise of funds set aside by the trustees out of unrestricted general funds for specific future purposes or projects.
- f) Taxation
The charitable company is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part II Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.
- g) Pension Contributions
The Charity operates two defined benefit Pension Schemes which are multi-employer schemes administered by the Baptist Union of Great Britain. The assets of the schemes are held separately from those of the charity in independently administered funds.
Contributions are charged to the Statement of Financial Activities as they become payable in accordance with the rules of the scheme.

Southern Counties Baptist Association

Notes to the financial statements for the year ended 31 December 2012 (continued)

2 INCOMING RESOURCES

a) Fees received

Fees received by the members of the Regional Team for preaching engagements etc are used towards meeting their expenses.

b) Income from Investments

	2012		2011	
	Unrestricted Funds	Designated & Restricted Funds	Total	Total
Loan and General Funds on Deposit with BU	10,083	-	10,083	9,128
COIF Deposit for SCBA Loan Fund (OEGBA)	127	-	127	102
Alden Memorial Fund	-	213	213	195
Baptist Insurance Co Ltd - Dividends	401	-	401	401
Shipston on Stour (held for buildings)	-	411	411	390
Abraham Trust - Confidential Fund	-	259	259	242
Fairford Trust - Educational Assistance	-	797	797	736
Frank Perry Trust	-	18	18	15
De La Mare Fund	-	470	470	466
Footsteps	-	-	-	2
Total Income	£10,611	£2,168	£12,779	£11,677

Allocation

These allocations are in accordance with the decisions made by the Trustees/Directors in November 2007 and are designed to proportionately supplement the previous usage of earmarked funds of the Oxford and East Gloucestershire Association and make parallel resources available throughout the Southern Counties area.

ALLOCATION OF INVESTMENT INCOME FROM LOAN AND GENERAL FUNDS ON DEPOSIT WITH BUGB

SCBA Loan Fund (2.35%)	249
General Fund (97.65%)	10,362
Total	£10,611

c) Income from the Baptist Union of Great Britain

	2012		2011	
	Unrestricted Funds	Designated & Restricted Funds	Total	Total
BU Home Mission Share and Housing	101,054	-	101,054	100,588
BU Core Grant	49,320	-	49,320	48,600
	£150,374	£ -	£150,374	£149,188

Southern Counties Baptist Association

Notes to the financial statements for the year ended 31 December 2012 (continued)

d) Income from Other Sources

	2012		2011	
	Unrestricted Funds	Designated & Restricted Funds	Total	Total
Preaching and other fees	6,262	-	6,262	7,566
Leaders' Days & SCBA Event fees	3,740	-	3,740	4,248
SCBA Ministers' Conference fees	17,384	-	17,384	10,602
Footsteps (Open College) fees	-	-	-	10,940
Church of the Year gifts	-	1,781	1,781	10,825
Confidential Fund donations	-	1,830	1,830	841
Loan Termination Gifts (SCBA Loan Fund)	1,000	100	1,100	1,946
BU HM Grant for Churches Together	4,747	-	4,747	4,654
Other Income	1,570	-	1,570	2,469
Proceeds from Ultimate Trusts	31,200	-	31,200	103,299
	£65,903	£3,711	£69,614	£157,390

3 RESOURCES EXPENDED

a) Total Resources Expended

	Staff Costs	Direct Costs	Support Costs	Total Costs 2012	Total Costs 2011
Charitable Expenditure					
Support of Churches within the Association	151,523	57,725	18,189	227,437	259,348
Governance Costs	-	-	3,500	3,500	2,715
	£151,523	£57,725	£21,689	£230,937	£262,063

Southern Counties Baptist Association

Notes to the financial statements for the year ended 31 December 2012 (continued)

b) Direct Charitable Expenditure

	2012		2011	
	Unrestricted Funds	Designated & Restricted Funds	Total	Total
Distributions				
Sabbatical and Educational Grants	1,048	2,000	3,048	300
Salaries (inc NI and Pension)	139,942	-	139,942	139,129
Printing, Postage & Telephone	4,371	-	4,371	3,773
Travel	19,006	-	19,006	22,818
Publications and Equipment	-	-	-	5,743
Leaders Days and SCBA Event Costs	8,318	-	8,318	1,896
SCBA Ministers Conference	10,798	-	10,798	8,830
Footsteps (Open College)	2,000	-	2,000	19,834
Churches Together Grants	3,317	783	4,100	6,917
Volunteer Expenses and Fees	2,674	-	2,674	1,965
Staff Book and Study Allowance	733	-	733	-
Church of the Year Grant	-	3,252	3,252	10,500
Confidential Fund	-	100	100	100
Insurance	456	-	456	610
Building Hire	1,859	-	1,859	720
Office Equipment and Phone Rental	1,905	-	1,905	4,658
Baptist Union Subscription	636	-	636	662
Support Staff Salaries and Expenses	15,069	-	15,069	19,847
Exceptional Legal Fees	6,373	-	6,373	-
Other Expenditure	2,765	-	2,765	2,569
Bank Charges	32	-	32	10
Distribution of Trust Funds	-	-	-	8,467
	£221,302	£6,135	£227,437	£259,348

c) Governance Costs

	2012		2011	
	Unrestricted Funds	Designated & Restricted Funds	Total	Total
Audit Fees	£3,500	£ -	£3,500	£2,715

Southern Counties Baptist Association

Notes to the financial statements for the year ended 31 December 2012 (continued)

4 Staff Costs

a) All Staff Costs

	2012	2011
Salary including housing costs where applicable	120,173	130,111
Employers' National Insurance	9,991	10,413
Employers' Pension Contributions	21,359	17,814
	<u>£151,523</u>	<u>£158,338</u>
Employed Directors' Expenses	26,566	9,230
Volunteer Directors' Expenses	853	1,965
	<u>£178,942</u>	<u>£192,637</u>

b) During the year, the SCBA employed eight staff as follows

	2012	2011
Full time Regional Ministers	2	2
Part time Regional Ministers	2	2
Part time Company Secretary/Administrator	1	1
Part time Support Staff (Admin Assistants)	2	3
	<u>7</u>	<u>8</u>

No emoluments are above £60,000 (2011 none).

c) Pension Costs

The Association is an employer participating in 2 pension schemes known as the Baptist Pension Scheme ("the Scheme"), which was known as the Baptist Ministers' Pension Fund until 31 December 2011 ("the Ministers' Fund"), and the Baptist Union Staff Pension Scheme ("the Staff Scheme"). The Schemes are separate legal entities which are administered by a Pension Trustee (Baptist Pension Trust Limited).

Employees are eligible to join the Scheme, which is not contracted out of the State Second Pension.

The main benefits provided by the Ministers' Fund for service prior to 1 January 2012 are a defined benefit 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 1 January 2009 Ministers paid 8% of their Pensionable Income and the employer paid 16%. The Fund started in 1925, but was closed to future accrual of defined benefits on 31 December 2011.

The main benefit provided by the Staff Scheme is a pension of one seventieth of a member's average salary over the last three years of pensionable service. From 1 January 2009 employees paid 8% of their salary, and the employer paid the balance of the necessary contribution, which was 17.1%. The scheme started in 1969, but was closed to future accrual of benefits on 31 December 2011.

From January 2012, pension provision for both Ministers and Lay Staff is being made through the Defined Contribution (DC) Plan within the Baptist Pension Scheme. 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 Legal and General Life Assurance Society Limited. In addition, the employer pays a further 4% of Pensionable Income to cover Death in Service Benefits, the administration of the DC Plan, and an associated insurance policy which provides income protection for Scheme members in the event that 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 Unum Limited.

Southern Counties Baptist Association

Notes to the financial statements for the year ended 31 December 2011 (continued)

c) Pension Costs (continued)

A formal valuation of the Ministers' Fund was performed as at 31 December 2010 by a professionally qualified Actuary using the Projected Unit Method. The market value of the Fund's assets at the valuation date was £129,866,000.

The valuation of the Ministers' Fund revealed a deficit of assets compared with the value of liabilities of £69,700,000 (equivalent to a past service funding level of 65%). As a result of the valuation, in addition to the contributions to the DC Plan set out above, deficiency contributions from employers to the Ministers' Fund (now the DB Plan within the Scheme) were set at 8.4% of Pensionable Income for 2012 and 11% of Pensionable Income for 2013 onwards. The Recovery Plan envisages deficiency contributions being required for 24 years.

A formal valuation of the Staff Scheme was performed at 1 January 2011 by a professionally qualified Actuary using the Projected Unit Method. The market value of the Fund's assets at the valuation date was £6,059,038.

The valuation of the Staff Scheme revealed a deficit of assets compared with the value of liabilities of £3,600,000 (equivalent to a past service funding level of 59%). As a result of the valuation, in addition to the contributions to the DC Plan set out above, deficiency contributions from each employer to the Staff Scheme (now a closed DB Plan within the Scheme) were set initially at £1,500 per annum for each member of the Scheme (including deferred pensioners, pensioners and widow(er)s) for which that employer is responsible. These deficiency contributions will rise annually on 1 January in line with the Retail Prices Index at the previous September, and to reflect any reduction in the overall number of Scheme members, and are subject to an inflation adjusted minimum of £240,000 each year. The Recovery Plan envisages deficiency contributions being required for some 20 years.

In addition to these deficiency contributions to the Staff Scheme, employers also pay contributions to the DC Plan within the Scheme as specified above.

The financial assumptions underlying the valuations were as follows:	Ministers and Staff
Discount rate pre retirement	5.70%
Discount rate post retirement	4.55%
Rate of price inflation	3.70%
Rate of revaluation on deferred pensions accrued to 5 April 2009	3.70%
Rate of revaluation on deferred pensions accrued after 5 April 2009	2.50%
Rate of pension increases on benefits accrued to 5 April 2006	3.50%
Rate of pension increases on benefits accrued after 5 April 2006	2.30%

As there is a large number of contributing employers participating in the Scheme, the Association is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, due to the nature of the schemes, the profit and loss charge for the period represents the employer contributions payable. The total pension cost for the Association is £21,359 (2011 £17,814).

The next actuarial valuation of the Ministers' Fund DB Plan is due to take place not later than as at 31 December 2013, and the next actuarial valuation of the Staff Scheme DB Plan is due to take place not later than as at 1 January 2014.

d) Trustee Emoluments

The Regional Minister Team Leader is a Trustee and Director of the charitable company. The total salary paid to the Trustee in 2012 was £36,400 (2011 £35,791) with Employer Pension Contributions of £6,698 (2011 £5,727). In addition they were repaid all expenses incurred in undertaking their appointments.

e) Trustee Indemnity Insurance

The SCBA participated with other Associations in the Baptist Union Trustee Indemnity Insurance Policy until May 2012, at a cost of £262, since that time Association was required to provide its own cover at a cost of £457.

Southern Counties Baptist Association

Notes to the financial statements for the year ended 31 December 2012 (continued)

5 TANGIBLE FIXED ASSETS

	Year Start	Additions	Disposals	Investment Gain/(Loss)	Year End
Investments held by BU Corporation	52,777	-	-	1,452	54,229
1414 ord shares of £5 - Baptist Insurance Co	7,070	-	-	-	7,070
	<u>£59,847</u>	<u>£ -</u>	<u>£ -</u>	<u>£1,452</u>	<u>£61,299</u>

6 DEBTORS

	2012	2011
Amounts falling due within one year		
Loans to churches	31,866	24,900
Misc Debtors and Prepayments	32,569	917
	<u>£64,435</u>	<u>£25,817</u>
Amounts falling due after more than one year		
Loans to churches	<u>£354,350</u>	<u>£374,766</u>

Loans totalling £38,000 (£40,000 in 2011) were made to churches during the year and repayments received of £51,450 (£36,952 in 2011).

7 DEPOSITS

	2012	2011
Cash held for SCBA deposited with BUC	274,414	269,568
SCBA Funds held in BU Deposit Fund	840,652	833,398
SCBA COIF Deposit Account	14,601	14,474
	<u>£1,129,667</u>	<u>£1,117,440</u>

8 BANK BALANCES

	2012	2011
CAF Account	5,595	7,589
HSBC	21,345	55,186
	<u>£26,940</u>	<u>£62,775</u>

9 CREDITORS

	2012	2011
Amounts falling due within one year		
Accruals and other creditors		
General Fund - sundry creditors and accruals	<u>£4,770</u>	<u>£12,006</u>

Southern Counties Baptist Association

Notes to the financial statements for the year ended 31 December 2012 (continued)

10 ACCUMULATED FUNDS

a) Restricted

	Year Start	Income	Transfers	Spending	Capital Gain/(Loss)	Year End
Alden Memorial (Loans Repairs/Extensions)	37,958	313	-	-	-	38,271
De la Mare (Staff Book Allowance)	22,807	470	-	-	-	23,277
Shipston on Stour	22,504	411	-	-	63	22,978
Confidential Fund	3,301	1,830	-	(100)	-	5,031
Fairford Trust (Education Grants)	37,239	797	-	(2,000)	928	36,964
Frank Perry Trust	1,864	18	-	-	-	1,882
Church of the Year	2,891	1,781	-	(3,252)	-	1,420
DFES Funds for Youth Work	1,689	-	-	-	-	1,689
Churches Together	783	-	-	(783)	-	-
	£131,036	£5,620	£ -	£(6,135)	£991	£131,512

b) General and Designated Funds

	Year Start	Income	Transfers	Spending	Capital Gain/(Loss)	Year End
GENERAL FUNDS						
Investment in Baptist Insurance Company	7,070	-	-	-	-	7,070
General Fund	789,046	223,112	-	(224,802)	-	787,356
Loan Funds (excluding Alden Memorial)	683,214	3,776	-	-	-	686,990
	1,479,330	226,888	-	(224,802)	-	1,481,416
DESIGNATED FUNDS						
Education and Sabbatical Grants	11,549	-	-	-	-	11,549
Abraham Trust (Confidential)	6,724	259	-	-	461	7,444
	18,273	259	-	-	461	18,993
TOTAL OF ALL FUNDS	£1,628,639	£232,767	£ -	£(230,937)	£1,452	£1,631,921

General Funds are held to support ongoing activities of the company.

Loan Funds are held to enable loans to be made to member churches to support projects, typically building projects.

Educational and Sabbatical Grants Fund represents amounts set aside to support individuals from member churches through sabbaticals and participation in other educational opportunities relating to Christian service or ministry. The balance for 2009 for this and the Abraham Trust have been restated as designated funds, as the trustees to not feel that any restrictions were placed on the original gifts.

Footsteps Fund relates to amounts generated by and set aside for the Footsteps (Open College) training and education programme.

Southern Counties Baptist Association

Notes to the financial statements for the year ended 31 December 2012 (continued)

11 HOME MISSION GIVING

The arrangements for making Home Mission Gifts from churches to the Baptist Union were changed during 2005. A new joint account, SCBA/Baptist Union, was set up so that churches and the SCBA can transfer their gifts to this account, but only the Baptist Union has authority to withdraw funds. As the SCBA is not beneficially entitled to retain any of the monies given by churches for Home Mission, these gifts are transferred directly to the Baptist Union and do not need to be included in the SCBA's Statement of Financial Activities.

Giving to Home Mission by churches and groups within the SCBA Area was as follows:

	2012	2011
Gifts via SCBA	1,190	9,120
Gifts given direct to the BU	451,500	395,095
Total gifts to Home Mission	<u>£452,690</u>	<u>£404,215</u>

12 RELATED PARTIES

The Association is a member of the Baptist Union of Great Britain.

13 ALLOCATION OF CHARITY NET ASSETS

The net assets of the Charity are held for the various funds as follows:

	Fixed Assets	Current Assets	Current Liabilities	Total 2012
Restricted	-	131,512	-	131,512
Unrestricted	61,299	1,443,880	(4,770)	1,500,409
TOTAL	<u>£61,299</u>	<u>£1,575,392</u>	<u>£(4,770)</u>	<u>£1,631,921</u>