

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 2013

Trustees' & Directors' Report

Legal and Administrative Information

Trustees and Directors	Mr Kynn Alibocus	appointed 01/01/13
	Mrs Angela Baker	appointed 06/06/12
	Revd Anthony Clarke	appointed 16/10/08
	Revd Ray Coates	appointed 11 /10/07 ceased 06/11/13
	Mr Geoff Coop	re-appointed 06/11/13
	Revd Jenny Elliot	appointed 26/08/07 ceased 06/11/13
	Mrs Melvina Fawcett	appointed 28/06/07 ceased 06/11/13
	Mr Edward John Greenwood	appointed 15/09/11
	Mrs Lesley Hart	appointed 27/11 /12 resigned 01/02/13
	Revd Jonathan Hunt	appointed 27/11/12
	Revd James Neve	re -appointed 06/11/13
	Mr Andrew North	appointed 06/11/2013
	Revd Grenville Overton	appointed 01/01/08
	Mr Robin Urwin	appointed 11/10/07 ceased 06/11/13
	Revd Keith Wilson	appointed 16/10/08
Company Secretary	Mr Jonathan Spiller	
Treasurer	Mr Edward John Greenwood	
Registered Office & Principal Address	Southern Counties Baptist Association Baptist House 129 Broadway Didcot OX 11 8XD	
Charity Number	1091066	
Company Number	04279837	
Auditors	Wilkins Kennedy LLP London Bridge SE19QR	London Bridge House
Bankers	HSBC 186 Broadway Didcot Oxon OX11 8RP CAP Bank Ltd 25 Kings Hill Avenue Kings Hill West Mailing ME194J	

Southern Counties Baptist Association

Report of the Trustees and Directors for the year ended 31 December 2013

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 2013, 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 2013, 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 2013, 169 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 Regents' 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. From January 2013 the Baptist Union has reorganized its structures, reducing the Central Resource in its headquarters, reducing the size of its Council and the number of its committees. In addition Associations have been encouraged to relate to neighbouring associations to form Partnerships in order to work together on common issues such as approval and co-ordination of Home Mission Grants, selection of Ministerial Candidates. Since January 2013 the association has together with the South West, West of England, and the South Wales Baptist Associations formed the Wessex Partnership which is fulfilling the latter objectives.

Revd Grenville Overton is a member of the Baptist Union's Baptist 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.

Southern Counties Baptist Association

Report of the Trustees and Directors for the year ended 31 December 2013 (continued)

Association Staff

The following staff served the Association during 2013:

Revd Grenville Overton (Regional Minister Team Leader, Pastoral Oversight South and West)
Revd Colin Morris (Regional Minister Pastoral Oversight North and Mission Development)
Revd Lynn Green (Regional Minister Pastoral Oversight Central) half time until 8th September 2013
Revd Jacky Storey (Regional Minister Pastoral Oversight South East and Children, Youth and Families until September 2013 and Children, Youth and Families only thereafter) half time.
Mrs Amy Allen (Association Administrative Manager) 20 hrs per week,

Miss Stella Charles (Administrative Assistant) 12 hrs per week.

Following the vacancy created when Mrs Green was appointed the General Secretary of the Baptist Union of GB the Association Trustees reviewed and consulted on the future role the position in the light of changes within the Union's strategy towards mission. As a result the association has created the post of Regional Minister Pioneer Mission Enabler which it is hoped will be filled during 2014.

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' Day was attended by more than 75 in in November
- Annual Ministers' and Leaders' 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 new Association website has been developed which together with regular 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 2013 (continued)

- A series of training seminars on the Role and responsibilities of Charity Trustees.
- The Regional Ministry Team and the Finance Task Group vetted and advised on the applications for Home Mission grants from 13 churches and 6 non church organisations, which were then considered by the West and South Partnership.

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. In the future this will be part of a co-ordinated programme of the Wessex Partnership. 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 2014. 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 2013 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 the Baptist Union in respect of member churches and sector ministries (eg chaplains in higher education and industry) in conjunction with the West and South Partnership.

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, on its website, 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 to Confidential Fund, established to relieve the hardship of retired minister or their widows. A grant of the money raised for Baptist Home Mission in 2012 was given to the Association to cover staff salaries and administrative costs in 2013. This is the principal source of income to cover the operating costs of the Association.

Reserves

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

Report of the Trustees and Directors for the year ended 31 December 2013 (continued)

The Association had Unrestricted General Funds of £730,689 (£787,356 in 2012) at the period end. At present three of the Regional Ministers receive a Housing allowance. 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 (£157,000) 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 2013 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).

Jonathan Spiller Company Secretary

Date: 2 July 2014



Signed on behalf the Council

Independent Auditors' Report to the Directors

We have audited the financial statements of Southern Counties Baptist Association for the year ended 31 December 2013 which comprise the Statement of Financial Activities; the Income and Expenditure Account, 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 members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of 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 Report of the Trustees and Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implication 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 2013, 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.

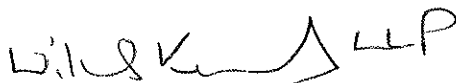
Opinion on other matter prescribed by the Companies Act 2006

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.



Bridge House
London Bridge
London SE1 9QR

P Barton (Senior Statutory Auditor)

For and on behalf of **Wilkins Kennedy, Statutory Auditor and Chartered Accountants**

Date: 2 July 2014

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 2013

	Notes	Unrestricted General Funds £	Designated Funds £	Restricted Funds £	Total 2013 £	Total 2012 £
INCOMING RESOURCES						
INCOMING RESOURCES FROM GENERATED FUNDS						
Income from Baptist Union of Great Britain	2c	129,000	0	0	129,000	150,374
Investment Income	2b	7,570	0	2,858	10,428	12,779
Income from other sources	2d	14,866	0	6,156	21,022	69,614
TOTAL INCOMING RESOURCES		151,436	0	9,014	160,450	232,767
RESOURCES EXPENDED						
Direct Charitable Expenditure	3b	204,064	355	4,609	209,028	227,437
Governance Costs	3c	3,750	0	0	3,750	3,500
TOTAL RESOURCES EXPENDED		207,814	355	4,609	212,778	230,937
NET OPERATING SURPLUS/(DEFICIT)						
NET(EXPENDITURE)/ INCOME FOR THE YEAR BEFORE TRANSFERS						
		(56,378)	(355)	4,405	(52,328)	1,830
Transfers		1,882	0	(1,882)	0	0
NET (EXPENDITURE)/INCOME FOR THE YEAR AFTER TRANSFERS						
		(54,496)	(355)	2,523	(52,328)	
OTHER RECOGNISED GAINS AND LOSSES						
Realised and unrealised gains and losses on investment assets		0	1,005	2,093	3,098	1,452
NET MOVEMENT OF FUNDS		(54,496)	650	4,616	(49,230)	3,282
FUND BALANCES						
1 January 2013		1,481,416	18,993	131,512	1,631,921	1,573,200
31 December 2013		1,426,920	19,643	136,128	1,582,691	1,631,921

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 8 to 16 form an integral part of these financial statements.

Southern Counties Baptist Association

Balance Sheet As at 31 December 2013

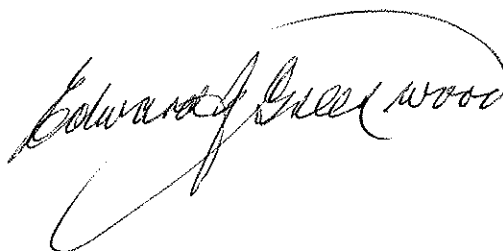
	Notes	2013 £	2012 £
FIXED ASSETS			
Investments	5	64,398	61,299
CURRENT ASSETS			
Debtors : Amounts falling due within one year	6	25,773	64,435
Debtors : Amounts falling due after more than one year	6	306,766	354,350
Deposit Accounts - BUC & COIF	7	1,154,662	1,129,667
Cash at bank and in hand	8	42,852	26,940
		1,530,053	1,575,392
CREDITORS : amounts falling due within one year	9	(11,760)	(4,770)
NET CURRENT ASSETS		1,518,293	1,570,622
NET ASSETS		1,582,691	1,631,921
 ACCUMULATED FUNDS			
Restricted funds	10a	136,128	131,512
Designated funds	10b	19,643	18,993
General funds	10b	1,426,920	1,481,416
		1,582,691	1,631,921

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

Approved by the Trustees and Directors of the Association on _____
and signed on its behalf by

Date of signing: 2 July 2014

Edward John Greenwood
Director and Treasurer



Jonathan Spiller
Company Secretary



The notes on pages 8 to 16 form an integral part of these financial statements.

Notes to the financial statements for the year ended 31 December 2013

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 2013 (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

	Unrestricted Funds	2013 Restricted Funds	Total	2012 Total
Loan and General Funds on Deposit with BU	7,098	0	7,098	10,083
COIF Deposit for SCBA Loan Fund (OEGBA)	71	0	71	127
Alden Memorial Fund	0	1,250	1,250	213
Baptist Insurance Co Ltd - Dividends	401	0	401	401
Shipston on Stour (held for buildings)	0	399	399	411
Abraham Trust - Confidential Fund	0	0	0	259
Fairford Trust - Educational Assistance	0	769	769	797
Frank Perry Trust	0	0	0	18
De La Mare Fund	0	440	440	470
Total Income	<u>7,570</u>	<u>2,858</u>	<u>10,428</u>	<u>12,779</u>

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%)	2,386
General Fund (97.65%)	7,570
Total	<u>9,956</u>

c) Income from the Baptist Union of Great Britain

	Unrestricted Funds	2013 Restricted Funds	Total	2012 Total
BU Home Mission Share and Housing	129,000	0	129,000	101,054
BU Core Grant	0	0	0	49,320
	<u>129,000</u>	<u>0</u>	<u>129,000</u>	<u>150,374</u>

Southern Counties Baptist Association

Notes to the financial statements for the year ended 31 December 2013 (continued)

d) Income from Other Sources

	2013		2012	
	Unrestricted Funds	Restricted Funds	Total	Total
Preaching and other fees	5,405	0	5,405	6,262
Leaders' Days & SCBA Event fees	2,458	0	2,458	3,740
SCBA Ministers' Conference fees	4,704	0	4,704	17,384
Church of the Year gifts	0	5,288	5,288	1,781
Confidential Fund donations	0	868	868	1,830
Loan Termination Gifts (SCBA Loan Fund)	2,184	0	2,184	1,100
BU HM Grant for Churches Together	0	0	0	4,747
Other Income	115	0	115	1,570
Proceeds from Ultimate Trusts	0	0	0	31,200
	<u>14,866</u>	<u>6,156</u>	<u>21,022</u>	<u>69,614</u>

3 RESOURCES EXPENDED

a) Total Resources Expended

	Staff Costs	Direct Costs	Support Costs	Total Costs 2013	Total Costs 2012
Charitable Expenditure					
Support of Churches within the Association	149,083	43,711	18,404	211,198	227,437
Governance Costs	0	0	3,750	3,750	3,500
	<u>149,083</u>	<u>43,711</u>	<u>22,154</u>	<u>214,948</u>	<u>230,937</u>

Southern Counties Baptist Association

Notes to the financial statements for the year ended 31 December 2013 (continued)

b) Direct Charitable Expenditure

	Unrestricted Funds	Designated Funds	2013 Restricted Funds	Total	2012 Total
Distributions					
Sabbatical and Educational Grants	2,641	0	0	2,641	3,048
Salaries (inc NI and Pension)	127,536	0	0	127,536	139,942
Printing, Postage & Telephone	3,308	0	0	3,308	4,371
Travel	17,252	0	0	17,252	19,006
Publications and Equipment	178	0	0	178	0
Leaders Days and SCBA Event Costs	5,252	0	0	5,252	8,318
SCBA Ministers Conference	9,109	0	0	9,109	10,798
Footsteps (Open College)	2,000	0	0	2,000	2,000
Churches Together Grants	2,493	0	0	2,493	4,100
Volunteer Expenses and Fees	2,616	0	0	2,616	2,674
Staff Book and Study Allowance	78	0	0	78	733
Church of the Year Grant	0	0	0	0	3,252
Confidential Fund	0	0	0	0	100
Insurance	1,369	0	0	1,369	456
Building Hire	3,434	0	0	3,434	1,859
Office Equipment and Phone Rental	1,079	0	0	1,079	1,905
Baptist Union Subscription	646	0	0	646	636
Support Staff Salaries and Expenses	21,547	0	0	21,547	15,069
Donation for Account Services	3,450	0	0	3,450	6,373
Other Expenditure	76	355	4,609	5,040	2,765
Bank Charges	0	0		0	32
	<u>204,064</u>	<u>355</u>	<u>4,609</u>	<u>209,028</u>	<u>227,437</u>

c) Governance Costs

	Unrestricted Funds	2013 Restricted Funds	Total	2012 Total
Audit Fees	3,750	0	3,750	3,500

Southern Counties Baptist Association

Notes to the financial statements for the year ended 31 December 2013 (continued)

4 Staff Costs

a) All Staff Costs

	2013	2012
Salary including housing costs where applicable	117,340	120,173
Employers' National Insurance	9,707	9,991
Employers' Pension Contributions	22,036	21,359
	149,083	151,523
Regional Ministers Expenses	23,732	26,566
Directors Expenses	2,688	0
Volunteer Directors' Expenses	1,600	853
	177,103	178,942

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

	2013	2012
Full time Regional Ministers	2	2
Part time Regional Ministers	1	2
Part time Company Secretary/Administrator	1	1
Part time Support Staff (Admin Assistants)	1	2
	5	7

No emoluments are above £60,000 (2012 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.

Notes to the financial statements for the year ended 31 December 2013 (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 £22,036 (2012 £21,359).

An actuarial valuation of the Ministers' Fund DB Plan is currently taking place as at 31 December 2013 and an actuarial valuation of the Staff Scheme DB Plan is also taking place as at 1 January 2014, the results of these valuations are not yet available.

d) Trustee Emoluments

The Regional Minister Team Leader is a Trustee and Director of the charity/company. The total salary paid to the Trustee in 2013 was £37,380 (2012 £36,400) with Employer Pension Contributions of £7,850(2012 £6,698). In addition they were repaid all expenses incurred in undertaking their appointments.

e) Trustee Indemnity Insurance

Association's stopped participating in the Baptist Union Trustee Indemnity Insurance Policy last year as per the 2012 accounts.

Southern Counties Baptist Association

Notes to the financial statements for the year ended 31 December 2013 (continued)

5 TANGIBLE FIXED ASSETS

	Year Start	Additions	Disposals	Investment Gain/(Loss)	Year End
Investments held by BU Corporation	54,229	0	0	3,099	57,328
1414 ord shares of £5 - Baptist Insurance Co	7,070	0	0	0	7,070
	<u>61,299</u>	<u>0</u>	<u>0</u>	<u>3,099</u>	<u>64,398</u>

6 DEBTORS

	2013	2012
Amounts falling due within one year		
Loans to churches	24,000	31,866
Misc Debtors and Prepayments	1,773	32,569
	<u>25,773</u>	<u>64,435</u>
Amounts falling due after more than one year		
Loans to churches	<u>306,766</u>	<u>354,350</u>

Loans totalling £nil (£38,000 in 2012) were made to churches during the year and repayments received of £51,866 (£51,450 in 2012).

7 DEPOSITS

	2013	2012
Cash held for SCBA deposited with BUC	276,388	274,414
SCBA Funds held in BU Deposit Fund	863,601	840,652
SCBA COIF Deposit Account	14,673	14,601
	<u>1,154,662</u>	<u>1,129,667</u>

8 BANK BALANCES

	2013	2012
CAF Account	5,358	5,595
HSBC	37,494	21,345
	<u>42,852</u>	<u>26,940</u>

9 CREDITORS

	2013	2012
Amounts falling due within one year		
Accruals and other creditors		
General Fund - sundry creditors and accruals	<u>11,760</u>	<u>4,770</u>

Southern Counties Baptist Association

Notes to the financial statements for the year ended 31 December 2013 (continued)

10 ACCUMULATED FUNDS

a) Restricted

	Year Start	Income	Transfers	Spending	Capital Gain/(Loss)	Year End
Alden Memorial (Loans Repairs/Extensions)	38,271	1,250	0	0	0	39,521
De la Mare (Staff Book Allowance)	23,277	440	0	(840)	0	22,877
Shipston on Stour	22,978	398	0	(398)	101	23,079
Confidential Fund	5,031	868	0	(600)	0	5,299
Fairford Trust (Education Grants)	36,964	769	0	(2,771)	1,992	36,954
Frank Perry Trust	1,882	0	(1,882)	0	0	
Church of the Year	1,420	5,289	0	0	0	6,709
DFES Funds for Youth Work	1,689	0	0	0	0	1,689
Churches Together	0	0	0	0	0	0
	131,512	9,014	(1,882)	(4,609)	2,093	136,128

b) General and Designated Funds

	Year Start	Income	Transfers	Spending	Capital Gain/(Loss)	Year End
GENERAL FUNDS						
Investment in Baptist Insurance Company	7,070	0	0	0	0	7,070
General Fund	787,356	151,436	1,882	(207,814)	0	732,860
Loan Funds (excluding Alden Memorial)	686,990	0	0	0	0	686,990
	1,481,416	151,436	1,882	(207,814)	0	1,426,920
DESIGNATED FUNDS						
Education and Sabbatical Grants	11,549	0	0	(355)	0	11,194
Abraham Trust (Confidential)	7,444	0	0	0	1,005	8,449
	18,993	0	0	(355)	1,005	19,643
TOTAL OF ALL FUNDS	1,631,921	160,450	0	(212,778)	3,098	1,582,691

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 do 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 2013 (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:

	2013	2012
Gifts via SCBA	404,418	451,500
Gifts given direct to the BU	1,525	1,190
Total gifts to Home Mission	405,943	452,690

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 2013
Restricted	0	136,128	0	136,128
Unrestricted	64,398	1,393,925	(11,760)	1,446,563
TOTAL	64,398	1,530,053	(11,760)	1,582,691