

Southern Counties Baptist Association

(A Company Limited by Guarantee)

Charity Number : 1091066
Company Number : 4279837

Trustees' Report and Financial Statements

For the year ended 31 December 2014

Southern Counties Baptist Association

Legal and Administrative Information

Trustees and Directors	Mr Klynn Alibocus	
	Mrs Angela Baker	ceased 29/08/14
	Revd Anthony Clarke	
	Mr Geoff Coop	
	Mrs Melvina Fawcett	appointed 06/11/14
	Mr Edward J Greenwood	
	Revd Jonathan Hunt	
	Mrs Anne Lane	appointed 19/11/14
	Revd James Neve	
	Mr Andrew North	
	Revd Grenville Overton	
	Mrs Carol Rhodes	appointed 19/11/14
	Revd Keith Wilson	ceased 29/01/14
Company Secretary	Mr Jonathan Spiller	
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	4279837	
Auditors	Wilkins Kennedy LLP Bridge House London Bridge London SE1 9QR	
Bankers	HSBC 186 Broadway Didcot Oxon OX11 8RP CAP Bank Ltd 25 Kings Hill Avenue Kings Hill West Mailing ME194JQ	

Southern Counties Baptist Association

Report of the Trustees and Directors for the year ended 31 December 2014

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 2014, 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 2014, 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 2014, 168 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 Association 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.

Revd Grenville Overton is a member of the Baptist Union's Baptist Steering Group, and 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 2014 (continued)

Association Staff

The following staff served the Association during 2014:

Revd Grenville Overton (Regional Minister Team Leader, Pastoral Oversight South and West)
Revd Colin Norris (Regional Minister Pastoral Oversight North and Mission Development)
Revd Alison Boulton (Regional Minister Pioneer Mission Enabler) half time from 1st September 2014
Revd Jacky Storey (Regional Minister Children, Youth and Families)
Mrs Amy Allen (Association Administrative Manager) 31 hrs per week,
Miss Stella Charles (Administrative Assistant) 12 hrs per week.

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 2014.

Building Strong Relationships

- Leaders' Days were attended by 42 in July and 98 in November
- Annual Ministers' and Leaders' Conference, attended by 88 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.
- A support forum was re-instituted for retired ministers
- 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.
- The appointment Revd Alison Boulton as Pioneer Mission Enabler is creating an opportunity to initiate and support new and exciting ways of mission across the association. The trustees set aside £120,000 to support these initiatives.

Southern Counties Baptist Association

Report of the Trustees and Directors for the year ended 31 December 2014 (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 one and two year courses 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 this is now carried out at residential conferences in within the Wessex Partnership, 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 2015. In addition, the Council and the Regional Ministry Team will consider ways in which the Association' services to churches can be further developed.

Financial Performance Financial Activities

The Financial Statements for the period 1 January to 31 December 2014 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 for the Confidential Fund, established to relieve the hardship of retired minister or their widows. A grant of the money raised for Baptist Home Mission in 2014 was given to the Association to cover staff salaries and administrative costs in 2015. 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 (BUC), which employs investment managers. The Baptist Union Trustees monitor investment performance through the Finance and Audit Committee.

Southern Counties Baptist Association

Report of the Trustees and Directors for the year ended 31 December 2014 (continued)

The Association had Unrestricted General Funds of £649,667 (2013: £732,860) 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 (£261,000) 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 2014 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: 1 July 2015

Independent Auditors' Report to the Directors

We have audited the financial statements of Southern Counties Baptist Association for the year ended 31 December 2014 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 4, 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.

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 2014, 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.


P Barton (Senior Statutory Auditor)
For and on behalf of **Wilkins Kennedy LLP, Chartered Accountants**
Date: 

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 2014

	Notes	Unrestricted			Total	Total
		General	Designated	Restricted	2014	2013
		Funds	Funds	Funds	£	£
		£	£	£		
INCOMING RESOURCES						
INCOMING RESOURCES FROM GENERATED FUNDS						
Income from Baptist Union of Great Britain	2c	270,203	4,000	-	274,203	129,000
Investment Income	2b	5,109	299	1,523	6,931	10,428
Income from other sources	2d	113,167	-	9,470	122,637	21,022
TOTAL INCOMING RESOURCES		388,479	4,299	10,993	403,771	160,450
RESOURCES EXPENDED						
Direct Charitable Expenditure	3b	347,442	270	41,207	388,919	209,028
Governance Costs	3c	4,230	-	-	4,230	3,750
TOTAL RESOURCES EXPENDED		351,672	270	41,207	393,149	212,778
NET OPERATING SURPLUS/(DEFICIT)						
NET (EXPENDITURE)/INCOME FOR THE YEAR BEFORE TRANSFERS						
		36,807	4,029	(30,214)	10,622	(52,328)
Transfers		(120,000)	120,000	-	-	-
NET (EXPENDITURE)/INCOME FOR THE YEAR AFTER TRANSFERS						
		(83,193)	124,029	(30,214)	10,622	(52,328)
OTHER RECOGNISED GAINS AND LOSSES						
Realised and unrealised gains and losses on investment assets						
		-	(4)	4,820	4,816	3,098
NET MOVEMENT OF FUNDS						
		(83,193)	124,025	(25,394)	15,438	(49,230)
FUND BALANCES						
1 January 2014		1,426,920	19,643	136,128	1,582,691	1,631,921
31 December 2014		1,343,727	143,668	110,734	1,598,129	1,582,691

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 17 form an integral part of these financial statements.

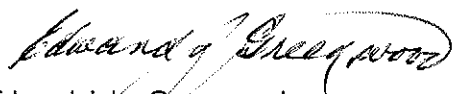
Southern Counties Baptist Association

Balance Sheet As at 31 December 2014

	Notes	2014 £	2013 £
FIXED ASSETS			
Investments	5	52,470	64,398
CURRENT ASSETS			
Debtors : Amounts falling due within one year	6	68,052	25,773
Debtors : Amounts falling due after more than one year	6	446,652	306,766
Deposit Accounts - BUC & COIF	7	1,009,659	1,154,662
Cash at bank and in hand	8	89,815	42,852
		1,614,178	1,530,053
CREDITORS : amounts falling due within one year	9	(68,519)	(11,760)
NET CURRENT ASSETS		1,545,659	1,518,293
NET ASSETS		1,598,129	1,582,691
ACCUMULATED FUNDS			
Restricted funds	10a	110,734	136,128
Designated funds	10b	143,668	19,643
General funds	10b	1,343,727	1,426,920
		1,598,129	1,582,691

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 1 July 2015
and signed on its behalf by



Edward John Greenwood
Director and Treasurer



Jonathan Spiller
Company Secretary

The notes on pages 8 to 17 form an integral part of these financial statements.

Southern Counties Baptist Association

Notes to the financial statements for the year ended 31 December 2014

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 2014 (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	Designated	2014 Restricted Funds	Total	2013 Total
Loan and General Funds on Deposit with BU	4,646	-	-	4,646	7,098
COIF Deposit for SCBA Loan Fund (OEGBA)	62	-	-	62	71
Alden Memorial Fund	-	-	111	111	1,250
Baptist Insurance Co Ltd - Dividends	401	-	-	401	401
Shipston on Stour (held for buildings)	-	-	300	300	399
Abraham Trust - Confidential Fund	-	299	-	299	-
Fairford Trust - Educational Assistance	-	-	772	772	769
De La Mare Fund	-	-	340	340	440
Total Income	5,109	299	1,523	6,931	10,428

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%)	1,893
General Fund (97.65%)	2,701
Total	4,594

c) Income from the Baptist Union of Great Britain

	Unrestricted Funds	Restricted Funds	2014 Designated Funds	Total	2013 Total
BU Home Mission Share and Housing	144,000	-	-	144,000	-
BU Operational Funding	126,203	-	4,000	130,203	129,000
	270,203	-	4,000	274,203	129,000

In 2014, BU Home Mission Share was allocated directly to the Association before transmission to churches and special ministries

Southern Counties Baptist Association

Notes to the financial statements for the year ended 31 December 2014 (continued)

d) Income from Other Sources

	Unrestricted Funds	Designated	2014 Restricted Funds	Total	2013 Total
Preaching and other fees	6,166	-	-	6,166	5,405
Leaders' Days & SCBA Event fees	1,932	-	-	1,932	2,458
SCBA Ministers' and Leaders' Conference fees	11,864	-	-	11,864	4,704
Church of the Year gifts	-	-	8,805	8,805	5,288
Confidential Fund donations	-	-	665	665	868
Loan Termination Gifts (SCBA Loan Fund)	5,350	-	-	5,350	2,184
Other Income	835	-	-	835	115
Closure of Redundant Churches	87,020	-	-	87,020	-
	113,167	-	9,470	122,637	21,022

3 RESOURCES EXPENDED

a) Total Resources Expended

	Staff Costs	Direct Costs	Support Costs	Total Costs 2014	Total Costs 2013
Charitable Expenditure					
Support of Churches within the Association	153,706	85,879	23,131	262,716	209,028
Home Mission Grants		126,203	-	126,203	-
Governance Costs	-	-	4,230	4,230	3,750
	153,706	212,082	27,361	393,149	212,778

Southern Counties Baptist Association

Notes to the financial statements for the year ended 31 December 2014 (continued)

b) Direct Charitable Expenditure

	Unrestricted Funds	2014 Restricted Funds	Total	2013 Total
Distributions				
Home Mission Grants	126,203	-	126,203	
Sabbatical and Educational Grants	1,140	-	1,140	2,641
Salaries (inc NI and Pension)	120,036	-	120,036	127,536
Printing, Postage & Telephone	2,116	-	2,116	3,308
Travel	15,584	-	15,584	17,252
Publications and Equipment	464	-	464	178
Leaders Days and SCBA Event Costs	6,929	-	6,929	5,252
SCBA Ministers Conference	14,730	-	14,730	9,109
Community Learning Tutor	2,000	-	2,000	2,000
Churches Together Grants	4,040	-	4,040	2,493
Volunteer Expenses and Fees	1,986	-	1,986	2,616
Staff Book and Study Allowance	1,374	-	1,374	78
Church Grant	250	-	250	-
Insurance	1,372	-	1,372	1,369
Building Hire	3,738	-	3,738	3,434
Office Equipment and Phone Rental	4,203	-	4,203	1,079
Baptist Union Subscription	663	-	663	646
Support Staff Salaries and Expenses	33,671	-	33,671	21,547
Accountancy Fees	5,100	-	5,100	3,450
Other Expenditure	2,068	41,207	43,275	5,040
Bank Charges	45	-	45	-
	<u>347,712</u>	<u>41,207</u>	<u>388,919</u>	<u>209,028</u>

c) Governance Costs

	Unrestricted Funds	2014 Restricted Funds	Total	2013 Total
Audit Fees	4,230	-	4,230	3,750

4 Staff Costs

a) All Staff Costs

	2014	2013
Salary including housing costs where applicable	119,426	117,130
Employers' National Insurance	9,487	9,707
Employers' Pension Contributions	24,793	22,036
	<u>153,706</u>	<u>149,083</u>
Employed Directors' Expenses	25,266	23,732
Directors Expenses	2,364	2,688
Volunteer Directors' Expenses	403	1,600
	<u>181,739</u>	<u>177,103</u>

Southern Counties Baptist Association

Notes to the financial statements for the year ended 31 December 2014 (continued)

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

	2014	2013
Full time Regional Ministers	2	2
Part time Regional Ministers	2	1
Part time Administrative Manager	1	1
Part time Support Staff (Admin Assistants)	1	1
	<u>6</u>	<u>5</u>

No emoluments are above £60,000 (2013 £60,000).

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 2014 was £38,280 (2013: £36,672) with Employer Pension Contributions of £8,039 (2013: £6,697). 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 2013, at a cost of £457, since that time Association was required to provide its own cover at a cost of £457.

f) Pension Costs

The Union is an employer participating in two pension schemes: the Baptist Pension Scheme ("the BPS") and the Baptist Union Staff Pension Scheme ("the BUSPS"). The BPS and BUSPS are separate legal entities which are both administered by the Pension Trustee (Baptist Pension Trust Limited).

From January 2012, pension provision for the Ministers and members of staff is being made through the Defined Contribution (DC) Plan within the BPS. 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 Legal and General Life Assurance Society Limited. 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 BPS 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. Members of the Basic Section of BPS pay reduced contributions of 5% of Pensionable Income, and their employers also pay a total of 5%.

Policy has been insured by the Baptist Union of Great Britain with Unum Limited. Members of the Basic Section of BPS pay reduced contributions of 5% of Pensionable Income, and their employers also pay a total of 5%.

Benefits in respect of service prior to 1 January 2012 are provided through the Defined Benefit (DB) Plan within the BPS, or through the BUSPS. The main benefits were:

- In the BPS, 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; and
- In the BUSPS, a pension of one seventieth of a member's average salary over the last three years of pensionable service.
- The BPS, previously known as the Baptist Ministers' Pension Fund, started in 1925, and the BUSPS started in 1969. Both schemes were closed to future accrual of defined benefits on 31 December 2011. Neither scheme is contracted out of the State Second Pension.

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Notes to the financial statements for the year ended 31 December 2014 (continued)

f) Pension Costs (Continued)

The table below summarises the main results of the most recent actuarial valuations of the BUSPS and the Defined Benefit (DB) Plan in the BPS. These valuations were performed by a professionally qualified Actuary using the Projected Unit Method.

	BPS DB Plan	BUSPS
Date of valuation	31 December 2013	1 January 2014
Date next valuation due	31 December 2016	1 January 2017
Market value of scheme assets (A)	£162m	£7.3m
Technical provisions (B)	£246m	£12.4m
Deficit [(B) – (A)]	£84m	£5.1m
Funding level [(A) / (B)]	66%	59%

As a result of the valuations, in addition to the contributions to the DC Plan set out above, it has been agreed:

- For the BPS, to increase the standard rate of deficiency contributions payable by churches and other employers involved in the DB Plan from 11% of Pensionable Income / Minimum Pensionable Income to be based on a 12% rate from 1 January 2016. The contributions will be based on each church's or other employer's position at March 2015. Some churches and other employers that were only involved in the DB Plan for a short period will pay less than 12%. The Recovery Plan envisages deficiency contributions continuing until 30 June 2035.
- For the BUSPS, to increase deficiency contributions from their current levels to an aggregate between the employers of £759,000 pa from 1 January 2016. This amount will increase each January in line with RPI inflation, and is split between the BUSPS sponsoring employers in line with their estimated share of the BUSPS liabilities. The Recovery Plan that sets out these contributions envisages deficiency contributions being required for some 10 years.

They financial assumptions underlying the valuations were as follows:	% pa
Type of assumption	
RPI price inflation assumption	3.60
CPI price inflation assumption	2.85
Minimum Pensionable Income increases (BPS only)	3.85
Pensionable Salary increases (BUSPS only)	3.85
Assumed investment returns	
- Pre-retirement	5.10
- Post retirement	3.95
Deferred pension increases	
- Pre April 2009	3.60
- Post April 2009	2.50
Pension increases (BPS main scheme pension and BUSPS pension)	
- Pre April 2006	3.40
- Post April 2006	2.30

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Notes to the financial statements for the year ended 31 December 2014 (continued)

f) Pension Costs (continued)

As there is a large number of contributing employers participating in the BPS and BUSPS, the Union is unable to identify its share of the underlying assets and liabilities of the schemes. 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 Union is £24,793 (2013 £22,036).

An Actuarial valuation of the Ministers' Fund DB Plan will take place not later than 31 December 2016 and an actuarial valuation of the Staff Scheme DB Plan would also take place by 1 January 2017, the results of these valuations are expected to be available by 31 March 2017.

Southern Counties Baptist Association

Notes to the financial statements for the year ended 31 December 2014 (continued)

5 TANGIBLE FIXED ASSETS

	Year Start	Additions	Disposals	Investment Gain/(Loss)	Year End
Investments held by BU Corporation	57,328	-	(12,016)	88	45,400
1414 ord shares of £5 - Baptist Insurance Co	7,070	-	-	-	7,070
	<u>64,398</u>	<u>-</u>	<u>(12,016)</u>	<u>88</u>	<u>52,470</u>

6 DEBTORS

	2014	2013
Amounts falling due within one year		
Loans to churches	46,000	24,000
Misc Debtors and Prepayments	22,052	1,773
	<u>68,052</u>	<u>25,372</u>
Amounts falling due after more than one year		
Loans to churches	446,650	332,539
	<u>446,650</u>	<u>332,539</u>

Loans totalling £190,000 (£nil in 2013) were made to churches during the year and repayments received of £30,000 (£51,866 in 2013).

7 DEPOSITS

	2014	2013
Cash held for SCBA deposited with BUC	266,730	276,388
SCBA Funds held in BU Deposit Fund	728,195	861,431
SCBA COIF Deposit Account	14,734	14,673
	<u>1,009,659</u>	<u>1,152,491</u>

8 BANK BALANCES

	2014	2013
CAF Account	4,169	5,358
HSBC	85,646	37,494
	<u>89,815</u>	<u>42,852</u>

9 CREDITORS

	2014	2013
Amounts falling due within one year		
Accruals and other creditors		
General Fund - sundry creditors and accruals	68,519	11,760
	<u>68,519</u>	<u>11,760</u>

Southern Counties Baptist Association

Notes to the financial statements for the year ended 31 December 2014 (continued)

10 ACCUMULATED FUNDS

a) Restricted

	Year Start	Income	Transfers	Spending	Capital Gain/(Loss)	Year End
Alden Memorial (Loans Repairs/Extensions)	39,521	112	-	-	-	39,633
De la Mare	22,877	340	-	(1,415)	-	21,802
Shipston on Stour	23,079	300	-	(28,129)	4,750	-
Confidential Fund	5,299	665	-	(420)	-	5,544
Fairford Trust (Education Grants)	36,954	771	-	-	70	37,795
Church of the Year	6,709	8,805	-	(11,243)	-	4,271
DFES Funds for Youth Work	1,689	-	-	-	-	1,689
	<u>136,128</u>	<u>10,993</u>	<u>-</u>	<u>(41,207)</u>	<u>4,820</u>	<u>110,734</u>

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	732,860	388,479	(120,000)	(351,672)	-	649,667
Loan Funds (excluding Alden Memorial)	686,990	-	-	-	-	686,990
	<u>1,426,920</u>	<u>388,479</u>	<u>(120,000)</u>	<u>(351,672)</u>	<u>-</u>	<u>1,343,727</u>
DESIGNATED FUNDS						
Education and Sabbatical Grants	11,194	-	-	(270)	-	10,924
Abraham Trust (Confidential)	8,449	299	-	-	(4)	8,744
Pioneer Mission Fund	-	4,000	120,000	-	-	124,000
	<u>19,643</u>	<u>4,299</u>	<u>120,000</u>	<u>(270)</u>	<u>(4)</u>	<u>143,668</u>
TOTAL OF ALL FUNDS	<u>1,582,691</u>	<u>403,771</u>	<u>-</u>	<u>(393,149)</u>	<u>4,816</u>	<u>1,598,129</u>

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.

Pioneer Mission is a new designated fund created to support new and exciting ways of mission across the association. In conjunction with the appointment of a regional minister.

Southern Counties Baptist Association

Notes to the financial statements for the year ended 31 December 2014 (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:

	2014	2013
Gifts via SCBA	412,507	404,418
Gifts given direct to the BU	-	1,525
Total gifts to Home Mission	<u>412,507</u>	<u>405,943</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 2014
Restricted	-	110,734	-	110,734
Unrestricted	52,470	1,503,444	(68,519)	1,487,395
TOTAL	<u>52,470</u>	<u>1,614,178</u>	<u>(68,519)</u>	<u>1,598,129</u>

