



## ANNUAL REPORT OF THE TRUSTEES

## AND FINANCIAL STATEMENTS

FOR YEAR ENDED 31 DECEMBER 2015

The Southern Counties Baptist Association  
(A company limited by guarantee No. 4279837)  
Registered Charity No. 1091066  
Registered Office: SCBA Office, Baptist House, 129 Broadway, Didcot, Oxon OX11 8XD

# **Southern Counties Baptist Association**

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# **Southern Counties Baptist Association**

## **Report of the Trustees and Directors for the year ended 31 December 2015**

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### **Introduction**

The Trustees, who are also directors of the Association for the purposes of company law, are pleased to submit the Annual Report and Financial Statements of the charitable company for the period 1 January 2015 to 31 December 2015, which are prepared to meet the requirements for a directors report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Articles of Association and 'Accounting and Reporting By Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102 – effective 1 January 2015).

### **OBJECTIVES AND ACTIVITIES**

The Southern Counties Baptist Association (also known as SCBA) is a registered charity (number 1091066) was incorporated as a private limited company on 31 August 2001 and is governed by Articles and Memorandum of Association.

The Objects of this charitable company are 'the advancement of the Christian faith 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'.

The principle activities of the charitable company are the employment of Regional Ministers and administrative staff team and the involvement of a number of volunteers, working in groups or individually, to offer support and guidance, training and financial resources to advance the Christian religion in a way which benefits Baptist churches and the communities in which they serve.

The charitable company is part of the family of Baptist organisations serving the needs of many of the Baptist Churches in Great Britain, working particularly closely with the Baptist Union of Great Britain and BMS World Mission.

The charitable company aims to:

- Co-operate with churches directly and through working groups by passing appropriate resolutions to enable building development projects, including the provision of grants and loans, including Sustainable Energy Funding. Many of these projects are directly aimed at making church buildings more accessible and available to the local community.
- Assist churches and ministers that are seeking new ministries through the National Settlement process.
- Assist individuals in exploring a call to any Baptist ministry by signposting various routes to recognised Baptist ministry, interviewing candidates, supporting ministerial candidates and providing Baptist Union approved training for preachers and lay pastors.
- Make Safeguarding training available on a rolling programme, encouraging and enabling ministers and members of churches to receive training at a reduce cost or free.
- Encourage dialogue within churches or between churches and their local community.
- Encourage the SCBA Grants Committee as it continues to seek creative ways of supporting churches in their mission using Baptist Home Mission and Association funds.
- Ensure, through its Finance Task Group, responsible and effective stewardship of the resources of the charitable company.
- Encourage churches to support Baptist Home Mission and BMS World Mission through prayer, direct partnership with mission personnel and financial gifts, so that the Gospel of Jesus Christ can continue to be shared in the UK and abroad.
- Receive and consider reports from the Task Groups and the Regional Ministers, enabling the charitable company to maintain effective governance
- Support the staff employed by the charitable company through the provision of appropriate training and support, and provision of clear and effective staffing and other policies.
- Seek appropriate and timely legal advice on issues having a potentially wide-ranging effect with a view to mitigating risk.

## **Southern Counties Baptist Association**

### **Report of the Trustees and Directors for the year ended 31 December 2015**

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#### **PUBLIC BENEFIT**

The trustees, having regard to the Charity Commission's guidance document, 'public benefit: running a charity (PB2)', continued to provide public benefit by seeking to advance the Christian religion and practice 'according to the principles of the Baptist denomination' and with the Objects of the charitable company.

The trustees sought to achieve this in a number of ways, primarily providing support to the churches and their ministers to enable them to advance the Christian religion by public worship and their objects but also including granting assistance to churches seeking to improve their premises, encouraging churches to adopt robust safeguarding policies and practice, acting to provide help and support to churches seeking to improve their own governance and holding the Regional Ministers accountable for their support for churches seeking to advance the Christian religion in their communities. A series of training seminars on the Role and responsibilities of Charity Trustees took place in the year.

#### **ACHIEVEMENTS AND PERFORMANCE**

##### *Summary of main achievements of the charity and any subsidiaries.*

The Association is made up of 162 Member churches of the Association, 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. Witney Baptist Church became a member 3 November 2015

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.

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 yearlong course to between 20 and 30 students, meeting once a month on Saturdays, together with courses offered on evenings 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 Ministerial Recognition Group formed as part of the South West Partnership and is now carried out at residential conferences within the four Associations.

The Regional Ministers also oversee the development of Ministers during their first three years of ministry.

Five Ministers became Fully Accredited Ministers and recognised at the Baptist Assembly Seventeen Newly Accredited Ministers gathered together for two reflection sessions in February and September

A new Association website continues to be developed and with regular emails to all churches offering 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.

*The difference the charity's work has made to the circumstances of its beneficiaries and, if practicable, explain any wider benefits to society as a whole.*

The Regional Ministry Team and the Finance Task Group vetted and advised on the applications for Home Mission grants from 12 churches and 4 non church organisations, which were then considered by the West and South Partnership.

##### *Review of significant charitable activities undertaken.*

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.

Safeguarding training is being run across the association in the light of revised national policies and procedures. Seven Safeguarding Training Sessions were held throughout the year with over 360 Church staff and volunteers trained in Safeguarding

The appointment of Revd Alison Boulton, as Pioneer Mission Enabler, is creating opportunities to initiate and support new and exciting ways of mission across the association. Twenty seven people attended a BUGB Finance Roadshow in our Association in September

## Southern Counties Baptist Association

### Report of the Trustees and Directors for the year ended 31 December 2015

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#### ACHIEVEMENTS AND PERFORMANCE - CONTINUED

##### *Review of achievements against objectives set.*

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 the coming year. In addition the Council and the Regional Ministry Team will consider ways in which the Association's services to churches can be further developed.

##### *Review of performance of material fundraising activities against the fundraising objectives set.*

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 of Great Britain in respect of member churches and sector ministries and chaplains (eg chaplains in higher education and industry) in conjunction with the South West Partnership. 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 2015 was given to the Association to cover staff salaries and administrative costs in 2016. This is the principal source of income to cover the operating costs of the Association.

##### *Review of investment performance against the investment objectives set where material financial investments are held.*

Funds not required for immediate purposes are deposited with the Baptist Union Corporation Ltd (BUC), which employs investment managers. The Baptist Union Trustees monitor investment performance through their Finance and Audit Committee.

##### *Review of any material expenditure incurred to raise income in the future.*

In reviewing its achievements and performance, the charity should include a summary of the *measures or indicators used to assess performance* when it provides evidence of the achievements in the reporting period.

Comment on those *significant positive and negative factors* both within and outside the charity's control which have affected the achievement of its objectives, and where relevant, explain how this has affected future plans.

##### *Risk Management*

The comprehensive risk management review carried out in 2010 resulted in a risk register being adopted by the Council as Trustees. During 2015 work continued to identify ongoing 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.

#### FINANCIAL REVIEW

During 2015 the overall funds of the Association decreased by £154,008 (2014: increase of £19,560).

The Association had Unrestricted General Funds of £1,108,766 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 Net Movement on Designated Funds was £11,439 excess of income over expenditure. This was primarily due to the ongoing use of the Mission Development Fund for grants to church and other mission projects. At the year end the total balance of designated funds was £155,107.

## **Southern Counties Baptist Association**

### **Report of the Trustees and Directors for the year ended 31 December 2015**

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#### **FINANCIAL REVIEW - CONTINUED**

The Association is part of a very complex multi-employer defined benefit pension scheme comprising approximately 1,200 employers. Work is in hand to provide details of individual debts by employer, which is anticipated to be complete by the second half of 2016. Until then it is not possible to include employer debt figures in these statements.

#### **Reserves policy and going concern**

The Trustees have agreed that the Association should retain reserves equivalent to nine months running costs (£393,000) within the Unrestricted Funds, together with one year of Grant funding from the Associations own resources where grants are expected to be needed beyond the current year (£135,000). This latter is to reflect commitments, often staff related, which have been entered into by grant receiving churches. On this basis reserves of £528,000 are required. Excluding fixed assets and restricted funds the Associations free reserves were £1,211,623 giving cover of 2.29 times. The Trustees will continue with their long term plan to reduce the reserves on a managed basis.

Funds amounting to £548,129 are held as Loan Funds for interest free loans to churches.

Given the level of reserves the Trustees consider the Association remains a going concern despite an excess of expenditure over income after one-off factors are excluded.

#### **Plans for future periods**

During 2016, the charitable company will seek to continue to fulfil its objects in creative ways that will assist in the advancement of the Christian religion and the enrichment of church and community life in the Southern Counties.

This will include:

The recruitment and induction of a new Moderator of the Trustees.

To begin the search for a new Treasurer to replace the present incumbent in the Autumn of 2017.

Offering the vision and values to the churches of the Association for comments and adoption.

Governance Training for the trustees.

Further development of the DBS service and Safeguarding training available to ministers and churches by the recruitment of up to four further trainers.

Improving communications with member churches upgrading the website.

Continuing use of the Baptists Together database.

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

The charitable company is governed by its Memorandum of Association and Articles of Association and Rules.

The Objects of this charitable company are the advancement of the Christian religion especially by the 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.

#### ***Recruitment and appointment of trustees***

The charitable company is run by its Board of Trustees who are also directors and who met five times during 2015.

## Southern Counties Baptist Association

### Report of the Trustees and Directors for the year ended 31 December 2015

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#### STRUCTURE, GOVERNANCE AND MANAGEMENT – CONTINUED

##### *Recruitment and appointment of trustees – continued*

Trustees at 31 December 2015

The Moderator and Treasurer who are elected tri-annually by the members of the Association.

Moderator	Mr Geoff Coop - Elected by the members of the charitable company
Treasurer	Mr Edward John Greenwood - Elected by the members of the charitable company
Regional Minister – Team Leader	The Revd Grenville Overton
Company Secretary	Mr Jonathan Spiller - Co-opted by the remaining trustees
Mr Kynn Alibocus	Co-opted by the remaining trustees
Revd Anthony Clarke	Appointed to represent Regent's Park College
Mr Nigel Cox	Elected by the members of the charitable company 3 Nov 2015
Mrs Melvina Fawcett	Elected by the members of the charitable company
Revd Jonathan Hunt	Elected by the members of the charitable company
Mrs Anne Lane	Co-opted by the remaining trustees
Revd James Neve	Elected by the members of the charitable company
Mr Andrew North	Elected by the members of the charitable company
Mrs Carol Rhodes	Co-opted by the remaining trustees

No Trustees retired during the year

##### **Trustees' Interests**

The Regional Minister, Team Leader is a Trustee and Director of the charity/company. The total salary paid to the Trustee in 2015 was £38,780 (2014: £38,280) with Employers Pension Contributions of £8,144 (£8,039). Expenses were paid to 6 trustees amounting to £9,924.

##### **Induction and training of trustees**

Prospective trustees are advised of the qualifications for serving as charity trustees and directors. On appointment they are invited to a formal induction meeting with the Administrator/Company Secretary who provides an overview of the governing instruments and activities of the charitable company.

##### **Related Parties**

The charitable company is a member of the Baptist Union of Great Britain, paying a subscription to this charity. Funds from the Home Mission Fund, which is the principle working fund of the Union, are received by the charitable company and dispersed by its Grants Group.

##### **Key Management personnel remuneration**

The charitable company consider their key management personnel to be:  
The charitable company's board of trustees

The pay and remuneration of the employees of the charitable company is set by the charitable company through the Board and its Finance Group and is based upon the Baptist Home Mission recommended stipend.



## **Southern Counties Baptist Association**

### **Report of the Trustees and Directors for the year ended 31 December 2015**

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#### **REFERENCE AND ADMINISTRATIVE DETAILS**

Registered Charity Number 1091066  
Registered Company Number 4279837

Registered Office Southern Counties Baptist Association  
Baptist House  
129 Broadway  
Didcot  
OX11 8XD

Regional Ministers serving the Association during 2015:

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  
Revd Jacky Storey (Regional Minister Pastoral Children, Youth and Families) half time.

The following staff served the Association during 2015;

Mrs Amy Allen (Association Administrative Manager) 31 hours per week.  
Miss Stella Charles (Administrative Assistant) 12 hours per week.

Auditor Wilkins Kennedy LLP, Bridge House, London Bridge, London SE1 9QR

Bankers HSBC Bank plc, 186 Broadway, Didcot OX11 8RP

#### **Directors' responsibilities in relation to the financial statements**

The trustees (who are also directors of The Southern Counties Baptist Association for the purposes of company law) are responsible for preparing this Directors' Report and 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 those 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 2015 (FRS 102);
- 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 financial statements 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 enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable 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
- each trustee has 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.



## **Southern Counties Baptist Association**

### **Report of the Trustees and Directors for the year ended 31 December 2015**

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#### **Auditors**

This report has been prepared in accordance with the Statement of Recommended Practice: 'Accounting and Reporting by Charities' and in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to smaller entities.

This report was approved by the Board on 29 September 2016

Signed

A handwritten signature in black ink, appearing to read 'Jonathan Spiller', written over a horizontal line.

Mr Jonathan Spiller  
Company Secretary of the Association

## **Southern Counties Baptist Association**

### **Independent Auditors report to the members of Southern Counties Baptist Association**

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We have audited the financial statements of Southern Counties Baptist Association for the year ended 31 December 2015 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) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 6, 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 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 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 2015 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; 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.

## Southern Counties Baptist Association

### Independent Auditors report to the members of Southern Counties Baptist Association

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#### 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.

*Wilks Kennedy LLP*

Peter Barton (Senior Statutory Auditor)  
for and on behalf of Wilks Kennedy LLP  
Statutory Auditor  
Chartered Accountants  
Bridge House  
London Bridge  
London  
SE1 9QR

Date: *30/September 2016*

## Southern Counties Baptist Association

### Statement of Financial Activities (including income and expenditure account) for the year end 31 December 2015

	Notes	Unrestricted		Restricted	Total	Total
		General	Designated	Funds	2015	2014
		Funds	Funds	Funds	2015	2014
		£	£	£	£	£
<b>INCOME</b>						
Donations and legacies	2b	4,000	-	6,914	10,914	14,820
Charitable activities	2c	291,151	21,655	-	312,806	274,203
Investment income	2d	5,921	312	1,288	7,521	6,931
Other income	2e	30,643	-	-	30,643	107,817
<b>Total income</b>		<b>331,715</b>	<b>21,967</b>	<b>8,202</b>	<b>361,884</b>	<b>403,771</b>
<b>EXPENDITURE ON</b>						
Charitable activities	3	528,069	10,510	13,091	551,670	393,149
<b>Total expenditure</b>		<b>528,069</b>	<b>10,510</b>	<b>13,091</b>	<b>551,670</b>	<b>393,149</b>
<b>NET INCOME BEFORE GAINS/(LOSSES) ON INVESTMENTS</b>		<b>(196,354)</b>	<b>11,457</b>	<b>(4,889)</b>	<b>(189,786)</b>	<b>10,622</b>
<b>NET (LOSSES)/GAINS ON INVESTMENTS</b>		<b>-</b>	<b>(18)</b>	<b>(7)</b>	<b>(25)</b>	<b>4,816</b>
<b>NET (EXPENDITURE)/INCOME BEFORE OTHER RECOGNISED GAINS/(LOSSES)</b>		<b>(196,354)</b>	<b>11,439</b>	<b>(4,896)</b>	<b>(189,811)</b>	<b>15,438</b>
<b>OTHER RECOGNISED GAINS/(LOSSES)</b>						
Actuarial gain/(losses) on defined benefit pension schemes	9	35,803	-	-	35,803	4,122
<b>NET MOVEMENT OF FUNDS</b>		<b>(160,551)</b>	<b>11,439</b>	<b>(4,896)</b>	<b>(154,008)</b>	<b>19,560</b>
<b>RECONCILIATION OF FUNDS</b>						
<b>Total funds brought forward</b>		<b>1,269,317</b>	<b>143,668</b>	<b>110,734</b>	<b>1,523,719</b>	<b>1,504,159</b>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>1,108,766</b>	<b>155,107</b>	<b>105,838</b>	<b>1,369,711</b>	<b>1,523,719</b>

#### CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities

## Southern Counties Baptist Association


### Balance Sheet As at 31 December 2015

	Notes	2015 £	2014 £
<b>FIXED ASSETS</b>			
Investments	5	<u>52,250</u>	<u>52,470</u>
<b>CURRENT ASSETS</b>			
Debtors	6	285,895	514,704
Cash and cash equivalents	7	<u>1,111,289</u>	<u>1,099,474</u>
		1,397,184	1,614,178
<b>CREDITORS</b>			
Amounts falling due within one year	8	<u>(41,116)</u>	<u>(68,519)</u>
<b>NET CURRENT ASSETS</b>			
		1,356,068	1,545,659
<b>PROVISION FOR LIABILITIES</b>			
Defined benefit pension scheme liability	9	(38,607)	(74,410)
<b>NET ASSETS</b>			
		<u>1,369,711</u>	<u>1,523,719</u>
<b>FUNDS</b>			
Restricted funds	11a	105,838	110,734
Designated funds	11b	155,107	143,668
General funds	11c	<u>1,108,766</u>	<u>1,269,317</u>
<b>TOTAL FUNDS</b>		<u>1,369,711</u>	<u>1,523,719</u>

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies.

The financial statements were approved by the Board of Trustees and Directors of the Association on 29 September 2016 and were signed on its behalf by:

  
.....  
Edward John Greenwood  
Director and Treasurer

  
.....  
Jonathan Spiller  
Company Secretary

The notes form an integral part of those financial statements

## Southern Counties Baptist Association

### Notes to the financial statements for the year ended 31 December 2015

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#### 1 ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

##### a) General information and basis of preparation

Southern Counties Baptist Association is a company limited by guarantee in the United Kingdom. The address of the registered office is given in the charity information on page 6 of these financial statements. The nature of the charity's operations and principal activities are set out on page 1.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Southern Counties Baptist Association meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The financial statements are presented in sterling (£) which is also the functional currency for the charity.

##### b) Reconciliation with previous Generally Accepted Accounting Practice

The charitable company transitioned from previously extant UK GAAP to FRS 102 as at 1 January 2014. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in the notes of the financial statements.

##### c) Preparation of the accounts on a going concern basis

The charitable company has reasonable expectation that there are adequate resources to continue in operational existence for the foreseeable future. It has therefore continued to adopt the going concern basis in preparing its financial statements.

##### d) Judgements and key sources of estimation uncertainty

Accounting estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The following judgements (apart from those involving estimates) have been made in the process of applying the above accounting policies that have had the most significant effect on amounts recognised in the financial statements:

##### Recoverability of loans

There are no key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

##### e) Legal status

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £10.

## **Southern Counties Baptist Association**

### **Notes to the financial statements for the year ended 31 December 2015**

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#### **1 ACCOUNTING POLICIES - continued**

##### **f) Fund accounting**

Unrestricted funds - represent those funds which can be used in accordance with the Association's charitable objects at the discretion of the Trustees.

Designated funds – represent those funds set aside by the trustees out of unrestricted general funds for specific future purposes or projects

Restricted funds – can only be used for a particular restricted purpose within the charitable objects. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

##### **g) Income**

Income is recognised in the Statement of Financial Activities when the Charitable Company has entitlement to the funds; any performance conditions attached to the item(s) of income have been met; it is probable that the income will be received; and that the amount can be measured reliably.

- Donations are accounted for gross when received.
- Grants receivable are accounted for in the year in which they are receivable.
- Investment income is included in the financial statements in the year in which it is receivable.
- Event and Conference fees are accounted for in the period the event was held.

##### **h) Expenditure and irrecoverable VAT:**

Expenditure is recognised in the Statement of Financial Activities once there is a legal constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

- Expenditure on charitable activities represents expenditure in the furtherance of the object of the Association.
- Grants payable are agreed on an annual basis and accounted for in the year in which they are committed.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Expenditure on office furniture and computer equipment is written off as incurred.

##### **i) Allocation of support and governance costs**

Support costs are those that assist the work of the association but do not directly represent the charitable activities and include governance costs.

Governance costs comprise all costs involving the public accountability of the association and its compliance with regulation and good practice. These costs include costs relating to the statutory audit.

Support and Governance costs have been 100% allocated to the charitable activity.

##### **j) Fixed asset investments**

Investments are held for their income generation and investment potential and are valued at market value at the reporting date.

Any surplus or deficit arising is included in the Statement of Financial Activities.



## **Southern Counties Baptist Association**

### **Notes to the financial statements for the year ended 31 December 2015**

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#### **1 ACCOUNTING POLICIES - continued**

##### **k) Debtors**

Loans are considered concessionary loans as they are made by the charity to further its purposes. Loans are initially measured at the amount paid, with the carrying amount adjusted subsequently to reflect repayments. There is no interest charged on the loan amounts. Where any loan made is considered to be irrecoverable an impairment loss is recognised.

Other debtors are recognised at the settlement amount due.

##### **l) Cash and cash equivalents**

Cash and cash equivalents in the balance sheet comprise cash at banks and in hand and short term deposits with an original maturity date of three months or less.

##### **m) Creditors**

Creditors are recognised where the association has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably.

Accruals and other creditors are recognised at their settlement amount due.

##### **n) Provisions for liabilities**

A liability for the agreed pension scheme deficit plan has been included, in accordance with the Baptist Union Staff Pension Scheme Schedule of Contributions dated 30 March 2012 and 31 March 2015.

##### **o) Financial instruments**

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

##### **p) Pension costs**

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.

##### **q) 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.

## Southern Counties Baptist Association

Notes to the financial statements for the year ended 31 December 2015 (continued)

### 2 INCOMING RESOURCES

#### a) Fees received

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

#### b) Income from donations and legacies

	Unrestricted Funds	2015 Designated Funds	Restricted Funds	Total	2014 Total
Church of the Year gifts	-	-	5,144	5,144	8,805
Confidential Fund donations	-	-	1,470	1,470	665
Loan Termination Gifts (SCBA Loan Fund)	4,000	-	300	4,300	5,350
	<u>4,000</u>	<u>-</u>	<u>6,914</u>	<u>10,914</u>	<u>14,820</u>

In 2014, all of the £14,820 income from donations was also attributable to the unrestricted fund.

#### c) Income from charitable activities

	Unrestricted Funds	2015 Designated Funds	Restricted Funds	Total	2014 Total
Baptist Union Grant for Operational Activities	156,114	-	-	156,114	144,000
Baptist Union Home Mission Grants to Churches	135,037	21,655	-	156,692	130,203
	<u>291,151</u>	<u>21,655</u>	<u>-</u>	<u>312,806</u>	<u>274,203</u>

In 2014, £270,203 of income from charitable activities was attributable to the unrestricted fund, and £4,000 was attributable to the designated funds.

#### d) Income from Investments

	Unrestricted Funds	2015 Designated Funds	Restricted Funds	Total	2014 Total
Loan and General Funds on Deposit with BU	5,453	-	-	5,453	4,646
COIF Deposit for SCBA Loan Fund (OEGBA)	67	-	-	67	62
Alden Memorial Fund	-	-	150	150	111
Baptist Insurance Co Ltd - Dividends	401	-	-	401	401
Shipston on Stour (held for buildings)	-	-	-	-	300
Abraham Trust - Confidential Fund	-	312	-	312	299
Fairford Trust - Educational Assistance	-	-	796	796	772
De La Mare Fund	-	-	342	342	340
Total Income	<u>5,921</u>	<u>312</u>	<u>1,288</u>	<u>7,521</u>	<u>6,931</u>

In 2014, £5,109 was attributable to the unrestricted fund, £299 was attributable to the designated fund, and the remaining £1,523 was attributable to the restricted fund.

## Southern Counties Baptist Association

Notes to the financial statements for the year ended 31 December 2015 (continued)

### d) Income from Investments - continued

#### 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%)	139
General Fund (97.65%)	5,782
Total	5,921

### e) Income from Other Sources

	Unrestricted Funds	Designated	2015 Restricted Funds	Total	2014 Total
Preaching and other fees	4,933	-	-	4,933	6,166
Leaders' Days & SCBA Event fees	3,502	-	-	3,502	1,932
SCBA Ministers' Conference fees	14,348	-	-	14,348	11,864
Other Income	7,860	-	-	7,860	835
Closure of Redundant Churches	-	-	-	-	87,020
	30,643	-	-	30,643	107,817

In 2014, all of the £107,817 was attributable to the unrestricted fund.

### 3 RESOURCES EXPENDED

#### a) Total Resources Expended

	Staff Costs (note 4)	Direct Costs (note 3b)	Support Costs (note 3c)	Total Costs 2015	Total Costs 2014
Charitable Expenditure					
Support of Churches within the Association	172,018	220,606	24,009	416,633	266,946
Home Mission Grant	-	135,037	-	135,037	126,203
	172,018	355,643	24,009	551,670	393,149

In 2014, £153,707 of the total costs related to staff costs, £170,876 to direct costs and the remaining £68,566 to support costs.

## Southern Counties Baptist Association

Notes to the financial statements for the year ended 31 December 2015 (continued)

### b) Direct charitable expenditure

	2015			Total	2014 Total
	Unrestricted Funds	Designated Funds	Restricted Funds		
Home Mission Grant	135,037	-	-	135,037	126,203
Sabbatical and Educational Grants	275	-	-	275	1,140
Travel	16,625	-	-	16,625	15,584
Leaders Days and SCBA Event Costs	9,710	-	-	9,710	6,929
SCBA Ministers Conference	21,319	-	-	21,319	14,730
Community Learning Tutor	2,000	-	-	2,000	2,000
Churches Together Grants	4,076	-	-	4,076	4,040
Church of the Year Grant	-	-	7,521	7,521	250
Confidential Fund	-	-	1,070	1,070	-
Fairford Trust	-	-	3,900	3,900	-
Loan Fund	143,000	-	-	143,000	-
Pioneer Mission Fund	-	10,510	-	10,510	-
DFES Fund	-	-	600	600	-
	<u>332,042</u>	<u>10,510</u>	<u>13,091</u>	<u>355,643</u>	<u>170,876</u>

In 2014, all of the £324,541 direct charitable expenditure related to the unrestricted fund.

### c) Support costs

	2015			Total	2014 Total
	Unrestricted Funds	Designated Funds	Restricted Funds		
Support costs					
Printing, Postage & Telephone	1,706	-	-	1,706	2,116
Publications and Equipment	2,446	-	-	2,446	464
Volunteer Expenses and Fees	1,769	-	-	1,769	1,986
Staff Book and Study Allowance	433	-	-	433	1,374
Insurance	1,372	-	-	1,372	1,372
Building Hire	2,398	-	-	2,398	3,738
Office Equipment and Phone Rental	1,924	-	-	1,924	4,203
Baptist Union Subscription	714	-	-	714	663
Professional fees	5,812	-	-	5,812	5,100
Other Expenditure	1,135	-	-	1,135	43,275
Bank Charges	220	-	-	220	45
<b>Governance:</b>					
Auditors' remuneration – audit fees	4,080	-	-	4,080	4,230
	<u>24,009</u>	<u>-</u>	<u>-</u>	<u>24,009</u>	<u>68,566</u>

In 2014, £41,207 of support costs were attributable to the restricted fund, and the remaining £27,359 of support costs were attributable to the unrestricted fund.

## Southern Counties Baptist Association

Notes to the financial statements for the year ended 31 December 2015 (continued)

### 4 STAFF COSTS

#### a) All Staff Costs

	2015	2014
Salaries including housing costs where applicable	135,027	119,426
Social security costs	8,312	9,487
Employer's contribution to pension schemes	28,679	24,793
	<u>172,018</u>	<u>153,706</u>

No employees receive employee benefits (excluding employer pension costs) of more than £60,000 in either the current or prior year.

The key management of the association comprise of the Trustees only.

#### b) Average staff numbers

	2015	2014
Full time Regional Ministers	2	2
Part time Regional Ministers	2	2
Part time Administrator	1	1
Part time Support Staff (Admin Assistants)	1	1
	<u>6</u>	<u>6</u>

#### c) Trustees' remuneration and benefits

The Revd. Grenville Overton, who is a trustees and Director of the association, received remuneration for employment with the charity for his work as Regional Minister Team Leader.

None of the other trustees have been paid any remuneration or received any other benefits from an employment within the association.

	2015	2014
<b>Trustee remuneration – non-trustee work</b>		
Trustee remuneration	38,780	38,280
Employer's contribution to pension schemes	8,144	8,039
	<u>46,924</u>	<u>46,319</u>

#### Trustees' expenses

	2015	No of trustees	2014	No of trustees
Director's Expenses	8,134	1	2,364	1
Volunteer Director Expenses	1,790	5	403	2
	<u>9,924</u>	<u>6</u>	<u>2,767</u>	<u>3</u>

Trustees' expenses relate to the following: travel, accommodation and subsistence.

## Southern Counties Baptist Association

Notes to the financial statements for the year ended 31 December 2015 (continued)

### d) Trustee Indemnity Insurance

The Association participated with other Associations in the Baptist Union Trustee Indemnity Insurance Policy until May 2013, at a cost of £457, since the that time Association was required to provide its own cover at a cost of £493 (2014: £457)

### e) 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).

The Association 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%.

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.

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	£162m	£7.3m
(A)		
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:

## Southern Counties Baptist Association

Notes to the financial statements for the year ended 31 December 2015 (continued)

### e) Pension Costs - continued

- 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.

The financial assumptions underlying the valuations were as follows:	
Type of assumption	% pa
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

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 association is £28,679 (2014 £24,793).

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 2015 (continued)

### 5 INVESTMENTS

	Brought forward	Additions	Disposals	Investment Gain/(Loss)	Carried forward
Investments held by BU Corporation	45,400	-	(114)	(106)	45,180
Baptist Insurance Co	7,070	-	-	-	7,070
	<u>52,470</u>	<u>-</u>	<u>(114)</u>	<u>(106)</u>	<u>52,250</u>

There are no investments held outside the UK.

The equity investment relates to 1414 ordinary £5 shares held in Baptist Insurance Company Plc (registered company number 00083597), a public company limited by shares.

The fair value of listed investments is determined by quoted market price in an active market and gains or losses recognised through the SOFA.

### 6 DEBTORS

	2015	2014
<b>Debtors: Amounts falling due within one year</b>		
Loans to churches	42,900	46,000
Other debtors	1,945	22,054
	<u>44,845</u>	<u>68,054</u>
<b>Debtors: Amounts falling due after more than one year</b>		
Loans to churches	241,050	446,650
	<u>285,895</u>	<u>514,704</u>

Loans totalling £100 (2014: £190,000) were made to churches during the year, £63,000 (2014: £30,000) were repaid during the year and £140,000 (2014: £nil) of loans were written off during the year.

### 7 CASH & CASH EQUIVALENTS

	2015	2014
Cash held for SCBA deposited with BUC	269,709	266,730
SCBA Funds held in BU Deposit Fund	772,687	728,195
SCBA COIF Deposit Account	14,801	14,734
CAF Account	3,580	4,169
HSBC	50,512	85,646
	<u>1,111,289</u>	<u>1,099,474</u>

### 8 CREDITORS

	2015	2014
<b>Amounts falling due within one year</b>		
Accruals and deferred income	9,179	34,742
Taxation and social security	2,948	3,144
Other creditors	28,989	30,633
	<u>41,116</u>	<u>68,519</u>

## Southern Counties Baptist Association

Notes to the financial statements for the year ended 31 December 2015 (continued)

### 9 PROVISION FOR LIABILITIES

	2015	2014
Defined Benefit pension scheme liability	38,607	74,410
Balance at 1 January 2015	74,410	78,532
Movement in the period	(35,803)	(4,122)
Balance at 31 December 2015	38,607	74,410

### 10 RELATED PARTIES

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

### 11 ACCUMULATED FUNDS

#### a) Restricted

	Year Start	Income	Transfers	Spending	Capital Gain/(Loss)	Year End
Alden Memorial (Loans Repairs/Extensions)	39,633	450	-	-	-	40,083
De la Mare	21,802	342	-	-	-	22,144
Confidential Fund	5,544	1,470	-	(1,070)	-	5,944
Fairford Trust (Education Grants)	37,795	796	-	(3,900)	(7)	34,684
Church of the Year	4,271	5,144	-	(7,521)	-	1,894
DFES Funds for Youth Work	1,689	-	-	(600)	-	1,089
	110,734	8,202	-	(13,091)	(7)	105,838

#### b) General and Designated Funds

	Year Start	Income	Transfers	Spending	Capital Gain/(Loss)	Year End
<b>GENERAL FUNDS</b>						
Investment in Baptist Insurance Company	7,070	-	-	-	-	7,070
General Fund	575,257	327,576	-	(385,069)	35,803	553,567
Loan Funds (excluding Alden Memorial)	686,990	4,139	-	(143,000)	-	548,129
	1,269,317	331,715	-	(528,069)	35,803	1,108,766
<b>DESIGNATED FUNDS</b>						
Education and Sabbatical Grants	10,924	-	-	-	-	10,924
Abraham Trust (Confidential)	8,744	312	-	-	(18)	9,038
Pioneer Mission Fund	124,000	21,655	-	(10,510)	-	135,145
	143,668	21,967	-	(10,510)	(18)	155,107
<b>TOTAL OF ALL FUNDS</b>	<b>1,523,719</b>	<b>361,884</b>	<b>-</b>	<b>(551,670)</b>	<b>35,778</b>	<b>1,369,711</b>

## Southern Counties Baptist Association

Notes to the financial statements for the year ended 31 December 2015 (continued)

### b) General and Designated Funds - continued

**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.

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

### 12 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:

	2015	2014
Gifts via SCBA	390,709	412,507
Gifts given direct to the BU	-	-
Total gifts to Home Mission	<u>390,709</u>	<u>412,507</u>

### 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 2015
Restricted	-	105,838	-	105,838
Unrestricted	52,250	1,291,346	(79,723)	1,263,873
TOTAL	<u>52,250</u>	<u>1,397,184</u>	<u>(79,723)</u>	<u>1,369,711</u>

### 14 TRANSITION TO FRS 102

#### a) Date of Transition to FRS 102

This is the first period that the Southern Counties Baptist Association has presented its results under the Charities Statement of Recommended Practice (Charities SORP (FRS 102)). The date of transition to FRS 102 was the 1 January 2014. Set out below are the changes which reconcile total net assets and funds as at 1 January 2014 and as at 31 December 2014 and the net movement in funds during the year ended 31 December 2014.

## Southern Counties Baptist Association

Notes to the financial statements for the year ended 31 December 2015 (continued)

### Reconciliation of income and expenditure for the year ended 31 December 2014

	Notes	As previously Stated £	Effect of transition to FRS 102 £	As restated £
<b>INCOME</b>				
Donations and legacies		-	14,820	14,820
Charitable activities		274,203	-	274,203
Investment income		6,931	-	6,931
Other income	A	122,637	(14,820)	107,817
<b>Total income</b>		<b>403,771</b>	<b>-</b>	<b>403,771</b>
<b>EXPENDITURE ON</b>				
Charitable activities		388,919	4,230	393,149
Governance costs	B	4,230	(4,230)	-
<b>Total resources</b>		<b>393,149</b>	<b>-</b>	<b>393,149</b>
<b>Net income before gains/(losses) on investments</b>		<b>10,622</b>	<b>-</b>	<b>10,622</b>
Net (losses)/gains on investments	C	-	4,816	4,816
<b>Net (expenditure)/income before other recognised gains/(losses)</b>		<b>10,622</b>	<b>4,816</b>	<b>15,438</b>
<b>Other recognised gains/(losses)</b>				
Net (losses)/gains on investments	C	4,816	(4,816)	-
Actuarial gain/(losses) on defined benefit pension schemes	D	-	4,122	4,122
<b>NET MOVEMENT IN FUNDS</b>		<b>15,438</b>	<b>4,122</b>	<b>19,560</b>
<b>RECONCILIATION OF FUNDS</b>				
1 January 2014		1,582,691	(78,532)	1,504,159
<b>31 December 2014</b>		<b>1,598,129</b>	<b>(74,410)</b>	<b>1,523,719</b>

#### Notes to the reconciliation of transition to the Charities SORP FRS 102

(A) External donation income was reclassified to donations and legacies to meet the classification criteria of SORP FRS 102.

#### (B) Governance Costs

SORP FRS 102 requires governance costs to be excluded from the face of the Statement of Financial Activities and to be included in expenditure on charitable activities, as a separate component of support costs.

On the date of transition to SORP FRS 102, £3,750 was reallocated in to the support costs of the charitable activity within the Charity. At the 31 December 2014 £4,230 was allocated into support costs of the charitable activity within the Charity. Both movements had no effect on the total funds carried forward at 31 December 2014 and 31 December 2015.

#### (C) Investment gains/(losses)

SORP FRS 102 requires investment gains/(losses) to be presented as a component of report income.

#### (D) Defined benefit pension scheme funding charge

SORP FRS 102 requires the provision for the present value of deficiency contributions payable under defined benefit pension schemes. This has resulted in the charity recognising a provision of £78,532 on transition to SORP FRS 102.

In the year to 31 December 2014 a movement in the provision of £4,122 was recognised in the statement of financial activities. The total provision at 31 December 2014 was £74,410.

## Southern Counties Baptist Association

### Reconciliation of funds at 1 January 2014 (date of transition to FRS 102)

	Notes	As previously Stated £	Effect of transition to FRS 102 £	As restated £
<b>FIXED ASSETS</b>				
Investments		64,398	-	64,398
<b>CURRENT ASSETS</b>				
Debtors		332,539	-	332,539
Cash at bank		1,197,514	-	1,197,514
		1,530,053	-	1,530,053
<b>CREDITORS</b>				
Amounts falling due within one year		(11,760)	-	(11,760)
<b>NET CURRENT ASSETS</b>				
		1,518,293	-	1,518,293
<b>PROVISION FOR LIABILITIES</b>				
Defined benefit pension scheme liability	D	-	(78,532)	(78,532)
<b>NET ASSETS</b>				
		<b>1,582,691</b>	<b>(78,532)</b>	<b>1,504,159</b>
<b>FUNDS</b>				
Unrestricted funds		1,426,920	(78,532)	1,348,388
Designated funds		19,643	-	19,643
Restricted funds		136,128	-	136,128
<b>TOTAL FUNDS</b>				
		<b>1,582,691</b>	<b>(78,532)</b>	<b>1,504,159</b>

## Southern Counties Baptist Association

### Reconciliation of funds at 31 December 2014

	Notes	As previously Stated £	Effect of transition to FRS 102 £	As restated £
<b>FIXED ASSETS</b>				
Investments		52,470	-	52,470
<b>CURRENT ASSETS</b>				
Debtors		514,74	-	514,704
Cash at bank		1,099,474	-	1,099,474
		1,614,178	-	1,614,178
<b>CREDITORS</b>				
Amounts falling due within one year		(68,519)	-	(68,519)
<b>NET CURRENT ASSETS</b>				
		1,545,659	-	1,545,659
<b>PROVISION FOR LIABILITIES</b>				
Defined benefit pension scheme liability	D	-	(74,410)	(74,410)
<b>NET ASSETS</b>				
		<b>1,598,129</b>	<b>(74,410)</b>	<b>1,523,719</b>
<b>FUNDS</b>				
Unrestricted funds		1,343,727	(74,410)	1,269,317
Designated funds		143,668	-	143,668
Restricted funds		110,734	-	110,734
<b>TOTAL FUNDS</b>				
		<b>1,598,129</b>	<b>(74,410)</b>	<b>1,523,719</b>