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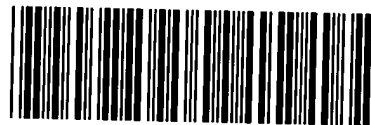
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southern counties baptist association

ANNUAL REPORT OF THE TRUSTEES

AND FINANCIAL STATEMENTS

FOR YEAR ENDED 31 DECEMBER 2017

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COMPANIES HOUSE

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 2017

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 2017 to 31 December 2017, which are prepared to meet the requirements for a director's 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 members of our churches to receive training at a reduce cost or free, and ensuring that ministers have completed Level 2 & 3 training.
- 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, Pioneering and other Association funds.
- Ensure, through its Staff, Finance & Administration 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 five SCBA Strategy 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 2017

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 159 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.

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. Mrs Lane also ran additional short-term courses and one-day training events in Pastoral and Leadership Training.

The testing of the call to ministry is carried out by a Ministerial Recognition Group formed as part of the South and 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, with eight Newly Accredited Ministers gathering together for two reflection sessions in February and September.

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 Mission Enabling Group and the Staff, Finance & Administration Group vetted and advised on the applications for Home Mission grants from 12 churches and 4 non-church organisations, which were then considered and agreed by the South and West 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 SCBA Mission Enabling Group 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 with a newly trained team of Safeguarding Trainers (most of whom are volunteers) in the light of revised national policies and procedures. Twelve Safeguarding Training Sessions were held throughout the year with over 400 Church staff and volunteers from 35 churches trained in Safeguarding for Children and Adults at Risk.

SOUTHERN COUNTIES BAPTIST ASSOCIATION

Report of the Trustees and Directors for the year ended 31 December 2017

ACHIEVEMENTS AND PERFORMANCE - CONTINUED

During the year, the trustees spent time rebuilding the Regional Ministry Team following the retirement of Revd Grenville Overton (Regional Minister Team Leader) and Revd Jacky Storey (Regional Minister for Children, Youth & Families). Revd Colin Norris (Regional Minister for SCBA) was recruited as Regional Minister Team Leader, Revd Clare Hooper was appointed as Children Youth & Families Missional Developer, and Revd Jonathan Hunt & Revd David Llewellyn were appointed as Regional Ministers, to start in January 2018. 2018 will be spent building relationships within the team and the association and look forward to exciting new opportunities. In addition, Revd Ben Lucas was employed by SCBA as a Missional Listener in Dorset, supported by Rural Ministries.

Various events, training and meetings were held throughout the year. 120 Ministers' & Leaders' attended our three-day conference held at the end of February, in Cheltenham, led by Krish Kandiah from the charity 'Home for Good'. 67 Leaders from our churches and other organisations attended a Mental Health Training Day on March. 78 trustees attend the 'Help! I'm a Trustee' training at two venues in Didcot and Southampton in July and November. Two SCBA General Meeting were held in 2017 – an Extraordinary General Meeting was held in May to vote in Revd Colin Norris as Regional Minister Team Leader and to say farewell to Revd Jacky Storey, with 80 members of our churches attending; and the Annual General Meeting and Leaders' Day was held in November, attended by 140 members. On this occasion we said farewell to Revd Grenville Overton and Revd Lynn Green, General Secretary, spoke on Success in Ministry.

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. 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. In 2017, the giving by SCBA churches slightly exceeded the target set by the Baptist Union. 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 2016 was given to the Association to cover staff salaries and administrative costs in 2017. 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.

Risk Management

The comprehensive risk management review carried out in 2010 resulted in a risk register being adopted by the Council as Trustees. During 2017 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 2017 the overall funds of the Association decreased by £115,130 (2016: increase of £822,245). The Association had Unrestricted General Funds of £1,480,345 at the period end. The decision to employ two new full time Regional Ministers included the need to provide accommodation in the north of the region by purchasing a property in Witney for £450,000 which will significantly reduce the unrestricted General Funds in 2018. The number of Ministers receiving a Housing allowance also increased to 4.

SOUTHERN COUNTIES BAPTIST ASSOCIATION

Report of the Trustees and Directors for the year ended 31 December 2017

FINANCIAL REVIEW - CONTINUED

The Net Movement on Designated Funds was £3,487 excess of expenditure over income. This was primarily due to the ongoing use of the Pioneer Mission Fund for grants to church and other mission projects. At the year end the total balance of designated funds was £252,833.

The association is part of a very complex multi-employer benefit pension scheme comprising approximately 1200 employees and until recently it was not possible to provide individual debts of employers. The Provision for Liabilities was therefore based on available figures and market trends. However, as a result of the work of the Baptist Pension Scheme Employers Working Group this problem has been resolved leaving us with a materially accurate estimated share of the liability as at Dec 31st of £249,400. The proposed "Family Solution" which the group continue to work on will show a decrease in the estimated liability in the years ahead as they work towards eradicating the debt entirely

Reserves policy and going concern

The trustees have recognised that with the employment of two new full time regional Ministers and the associated increase in costs, the Association will be running a deficit budget for the foreseeable future which is likely to be within the region of £125,000 a year unless funds accrue from closed churches. It is therefore necessary to retain reserves sufficient to cover at least 5 years' costs and ideally 10 years. Excluding fixed assets and restricted funds, the Association's free reserves were £1,673,276 at the end of 2017. This will be further reduced by £450,000 at the start of 2018, giving reserves of £1,223,277. which will ensure the continued existence of the Association for 9.75 yrs. As the aims of the Association are likely to be met in part by increased and longer term funding of Pioneer Mission initiatives with an associated increase in costs, the trustees are of the opinion that there is no need to reduce the level of reserves further at the present time.

Funds amounting to £556,980 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 2018, 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: Actively increasing the number of trustees on the Steering and Strategy Group, and the expansion of the newly formed working groups, 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 and the employment of a dedicated part time member of staff to co-ordinate safeguarding, Improving communications with member churches upgrading the website, Continuing use of the Baptists Together database, GDPR Training in line with the new regulations.

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 2017.

SOUTHERN COUNTIES BAPTIST ASSOCIATION

Report of the Trustees and Directors for the year ended 31 December 2017

STRUCTURE, GOVERNANCE AND MANAGEMENT – CONTINUED

Recruitment and appointment of trustees - continued

The ongoing work of the association through Task Groups was reorganised with the establishment of the following five Strategy/Working Groups:

Staffing, Finance and Administration
Leadership and Ministerial Development
Children, Youth and Family
Mission Enabling
Safeguarding

The groups are made up of Trustees, Officers and members from the churches of the association. Each group is developing and implementing their Terms of Reference, Action Plans and Budget requirements which are approved by the Board of Trustees.

Trustees at 31 December 2017

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

Moderator	Dr Mike Mortimer - Elected by the members of the charitable company
Treasurer	Mr Edward John Greenwood - resigned 3 November 2017 Revd Nigel Cox - Elected by the members of the charitable company 3 November 2017
Regional Minister – Team Leader	The Revd Grenville Overton - resigned 1 June 2017 Revd Colin Norris - appointed 1 June 2017
Company Secretary	Mr Jonathan Spiller - resigned 24 October 2017
Mr Klynn Alibocus	Resigned 22 September 2017
Mrs Ann Andrews	Co-opted by the remaining trustees 25 January 2017
Revd Anthony Clarke	Appointed to represent Regent's Park College
Revd Nigel Cox	Elected by the members of the charitable company
Mrs Melvina Fawcett	Elected by the members of the charitable company
Revd Simon Ford	Elected by the members of the charitable company 3 November 2017
Revd Jonathan Hunt	Resigned 30 October 2017
Mrs Anne Lane	Elected by the members of the charitable company 3 November 2017

Trustees' Interests

The Regional Minister, Team Leaders are Trustees and Directors of the charity/company. The total salary paid to the Trustees in 2017 was £37,500 (2016: £42,300) with Employers Pension Contributions of £8,200 (£8,968). Expenses were paid to 7 trustees amounting to £20,429.

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.

SOUTHERN COUNTIES BAPTIST ASSOCIATION

Report of the Trustees and Directors for the year ended 31 December 2017

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.

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 2017:

Revd Grenville Overton (Regional Minister Team Leader, Pastoral Oversight South and West) (to February 2017)
Revd Grenville Overton (Regional Minister – on long-term sick leave) (from February 2017)
Revd Colin Norris (Regional Minister Team Leader, Pastoral Oversight for the South) (from May 2017)
Revd Colin Norris (Regional Minister Pastoral Oversight North and Mission Development) (to May 2017)
Revd Alison Boulton (Regional Minister Pioneer Mission Enabler) half time
Revd Jacky Storey (Regional Minister Pastoral Children, Youth and Families) half time (to July 2017)
Revd Clare Hooper (Children, Youth & Families Missional Developer) (from November 2017)

The following staff served the Association during 2017;

Mrs Amy Allen (Association Administrative Manager) 31 hours per week.
Miss Stella Charles (Administrative Assistant) 9 hours per week.

Auditor Kingston Smith LLP, Devonshire House, 60 Goswell Road, London EC1M 7AD

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:

SOUTHERN COUNTIES BAPTIST ASSOCIATION

Report of the Trustees and Directors for the year ended 31 December 2017

- 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.

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 26 September 2018

Signed



Dr Michael Mortimer, Moderator of the Association

SOUTHERN COUNTIES BAPTIST ASSOCIATION

Independent Auditor's Report to the members of Southern Counties Baptist Association

We have audited the financial statements of Southern Counties Baptist Association ('the company') for the year ended 31 December 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

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 2017 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 and the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- the charitable company has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we required for our audit.

Responsibilities of trustees

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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

The trustees have elected for the financial statements to be audited in accordance with the Charities Act 2011 rather than the Companies Act 2006. Accordingly we have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.

Auditor's responsibilities for the audit of the financial statements– CONTINUED

- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Chapter 3 of Part 8 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the 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 any party other than the charity and charity's trustees as a body, for our audit work, for this report, or for the opinion we have formed.



Andrew Stickland
Senior Statutory auditor
for and on behalf of Kingston Smith LLP, Statutory Auditor

28 September 2018

Devonshire House
60 Goswell Road
London
EC1M 7AD

Kingston Smith LLP is eligible to act as auditor in terms of Section 1212 of the Companies Act 2006.

SOUTHERN COUNTIES BAPTIST ASSOCIATION

Statement of Financial Activities (including income and expenditure account) for the year end 31 December 2017

	Notes	Unrestricted			Total	Restated
		General Funds	Designated Funds	Restricted Funds	2017	Total 2016
		£	£	£	£	£
INCOME						
Donations and legacies	2b	6,510	-	29,129	35,639	4,960
Charitable activities	2c	295,454	22,694	-	318,148	293,276
Investment income	2d	6,159	330	1,120	7,609	7,457
Other income	2e	123,695	25,571	-	149,266	955,125
Total income		431,818	48,595	30,249	510,662	1,260,818
EXPENDITURE ON						
Charitable activities	3	415,207	182,532	27,273	625,012	416,083
Total expenditure		415,207	182,532	27,273	625,012	416,083
NET INCOME BEFORE GAINS/(LOSSES) ON INVESTMENTS		16,611	(133,937)	2,976	(114,350)	844,735
NET GAINS/(LOSSES) ON INVESTMENTS		4,950	450	966	6,366	1,286
NET INCOME/(EXPENDITURE) BEFORE TRANSFERS		21,561	(133,487)	3,942	(107,984)	846,021
TRANSFERS BETWEEN FUNDS		(130,000)	130,000	-	-	-
NET (EXPENDITURE)/INCOME BEFORE OTHER RECOGNISED GAINS/(LOSSES)		(108,439)	(3,487)	3,942	(107,984)	846,021
OTHER RECOGNISED GAINS/(LOSSES)						
Actuarial gains/(losses) on defined benefit pension schemes	9	(7,146)	-	-	(7,146)	(23,776)
NET MOVEMENT OF FUNDS		(115,585)	(3,487)	3,942	(115,130)	822,245
RECONCILIATION OF FUNDS						
Total funds brought forward		1,595,930	256,320	102,606	1,954,856	1,132,611
TOTAL FUNDS CARRIED FORWARD		1,480,345	252,833	106,548	1,839,726	1,954,856

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities

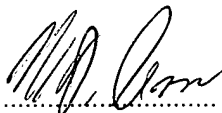
SOUTHERN COUNTIES BAPTIST ASSOCIATION

Balance Sheet As at 31 December 2017

	Notes	2017 £	Restated 2016 £
FIXED ASSETS			
Investments	5	<u>59,902</u>	<u>53,536</u>
CURRENT ASSETS			
Debtors	6	255,098	908,794
Cash and cash equivalents	7	<u>1,885,204</u>	<u>1,348,997</u>
		2,140,302	2,257,791
CREDITORS			
Amounts falling due within one year	8	<u>(111,078)</u>	<u>(65,239)</u>
NET CURRENT ASSETS			
		2,029,224	2,192,552
PROVISION FOR LIABILITIES			
Defined benefit pension scheme liability	9	(249,400)	(291,232)
NET ASSETS			
		<u>1,839,726</u>	<u>1,954,856</u>
FUNDS			
Restricted funds	11a	106,548	102,606
Designated funds	11b	252,833	256,320
General funds	11b	<u>1,480,345</u>	<u>1,595,930</u>
TOTAL FUNDS		<u>1,839,726</u>	<u>1,954,856</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 26 September 2018 and were signed on its behalf by:



.....
Revd Nigel Cox

Director and Treasurer



.....
Dr Michael Mortimer
Director and Moderator

The notes form an integral part of those financial statements

SOUTHERN COUNTIES BAPTIST ASSOCIATION**Statement of Cash Flows for the year ended 31 December 2017**

	<i>Note</i>	2017 £	Restated 2016 £
Cash provided by operating activities	<i>(i)</i>	528,598	230,251
Cash flows from investing activities			
Dividends, interest and rents from investments		7,609	7,457
Proceeds on sale of investments		-	-
Cash provided by investing activities		<u>7,609</u>	<u>7,457</u>
Increase in cash and cash equivalents in the year		536,207	237,708
Cash and cash equivalents as at 1 January		<u>1,348,997</u>	<u>1,111,289</u>
Cash and cash equivalents as at 31 December		<u>1,885,204</u>	<u>1,348,997</u>
(i) Reconciliation of net income to cash used in operating activities			
Net income		(107,984)	846,021
Dividends, interest and rents from investments		(7,609)	(7,457)
(Gains)/losses on investment assets		(6,366)	(1,286)
(Increase)/decrease in debtors		653,696	(622,899)
Increase/(decrease) in creditors		45,839	24,123
Increase/(decrease) in pension deficit		(48,978)	(8,251)
		<u>528,598</u>	<u>230,251</u>

SOUTHERN COUNTIES BAPTIST ASSOCIATION

Notes to the financial statements for the year ended 31 December 2017

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) 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.

c) Judgements and key sources of estimation uncertainty

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.

- Judgements in applying the entity's accounting policies
- *Multi-employer defined benefit pension schemes*
Certain employees participate in multi-employer defined benefit pension schemes with other organisations. In the judgement of the Trustees, the charity does not have sufficient information on the plan assets and liabilities to be able to reliably account for its share of the defined benefit obligation and plan assets. Therefore, the schemes are accounted for as defined contribution schemes: see note 4e and 9 for further details.
- Accounting estimates and assumptions
- *Multi-employer defined benefit pension scheme: Baptist Union Staff Pension Scheme*
The charity has an obligation to pay a deficit funding arrangement in respect of the multi-employer defined benefit pension scheme. The present value of the obligation depends on a number of factors including the RPI rate and the discount rate on corporate bonds. Management estimates these factors in determining the new pension obligation in the balance sheet.
- *Recoverability of loan*
The recoverability of loans are assessed annually, and at the balance sheet date provisions for doubtful debts are provided based on prior year experiences.

d) 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 2017

1 ACCOUNTING POLICIES - continued

e) 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.

f) 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.

g) 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.

h) 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.

i) 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 include in the Statement of Financial Activities.

SOUTHERN COUNTIES BAPTIST ASSOCIATION

Notes to the financial statements for the year ended 31 December 2017

1 ACCOUNTING POLICIES - continued

j) 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.

k) 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.

l) 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.

m) 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 31 March 2015.

n) 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.

o) Employee benefits

- *Multi-employer pension plan*
The association is a member of a multi-employer plan. Where it is not possible for the association to obtain sufficient information to enable it to account for the plans as a defined benefit plan, it accounts for the plan as a defined contribution plan.

Where the plan is in deficit and where the association has agreed, with the plan, to participate in a deficit funding arrangement the association recognises a liability for this obligation. The amount recognised is the net present value of the contributions payable under the agreement that relate to the deficit. The amount is expensed in profit or loss. The unwinding of the discount is recognised as a finance cost.

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 31 March 2015.
- *Defined contribution pension plans*
The association operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the association pays fixed contributions into a separate entity. Once the contributions have been paid the association has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the balance sheet. The assets of the plan are held separately from the association in independently administered fund.

SOUTHERN COUNTIES BAPTIST ASSOCIATION

Notes to the financial statements for the year ended 31 December 2017

1 ACCOUNTING POLICIES - continued

p) 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.

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 £	2017 Designated Funds £	Restricted Funds £	Total £	2016 Total £
Church of the Year gifts	-	-	5,749	5,749	4,435
Confidential Fund donations	-	-	880	880	525
Rural Ministry grant	-	-	22,500	22,500	-
Loan Termination Gifts (SCBA Loan Fund)	6,510	-	-	6,510	-
	<u>6,510</u>	<u>-</u>	<u>29,129</u>	<u>35,639</u>	<u>4,960</u>

In 2016, £4,960 income from donations was attributable to restricted funds.

c) Income from charitable activities

	Unrestricted Funds £	2017 Designated Funds £	Restricted Funds £	Total £	2016 Total £
Baptist Union Grant for Operational Activities	168,851	22,694	-	191,545	170,660
Baptist Union Home Mission Grants to Churches	126,603	-	-	126,603	122,616
	<u>295,454</u>	<u>22,694</u>	<u>-</u>	<u>318,148</u>	<u>293,276</u>

In 2016, £288,276 of income from charitable activities was attributable to the unrestricted fund, and £5,000 was attributable to the designated funds.

SOUTHERN COUNTIES BAPTIST ASSOCIATION

Notes to the financial statements for the year ended 31 December 2017

2 INCOMING RESOURCES - continued

d) Income from Investments

	Unrestricted Funds £	Designated Funds £	2017 Restricted Funds £	Total £	2016 Total £
Loan and General Funds on Deposit with BU	4,522	-	-	4,522	5,083
COIF Deposit for SCBA Loan Fund (OEGBA)	35	-	-	35	63
Alden Memorial Fund	-	-	99	99	126
Baptist Insurance Co Ltd - Dividends	1,602	-	-	1,602	801
Abraham Trust - Confidential Fund	-	330	-	330	318
Fairford Trust - Educational Assistance	-	-	786	786	777
De La Mare Fund	-	-	235	235	309
Total Income	6,159	330	1,120	7,609	7,457

In 2016, £5,927 was attributable to the unrestricted fund, £318 was attributable to the designated fund, and the remaining £1,212 was attributable to the restricted fund.

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 (23.5%)	1,447
General Fund (76.5%)	4,712
Total	6,159

e) Income from Other Sources

	Unrestricted Funds £	Designated £	2017 Restricted Funds £	Total £	2016 Total £
Preaching and other fees	4,199	-	-	4,199	2,923
Leaders' Days & SCBA Event fees	6,542	-	-	6,542	3,726
SCBA Ministers' Conference fees	17,120	-	-	17,120	16,922
BU HM Grant for Youth and Children's Work	-	95	-	95	1,000
Other Income	259	-	-	259	30
Closure of Redundant Churches	95,575	25,476	-	121,051	930,524
	123,695	25,571	-	149,266	955,125

In 2016, £1,000 was attributable to designated funds and £954,125 was attributable to the unrestricted fund.

SOUTHERN COUNTIES BAPTIST ASSOCIATION

Notes to the financial statements for the year ended 31 December 2017

3 RESOURCES EXPENDED

a) Total Resources Expended

	Staff Costs (note 4)	Direct Costs (note 3b)	Support Costs (note 3c)	Total Costs 2017	Restated Total Costs 2016
	£	£	£	£	£
Charitable Expenditure					
Support of Churches within the Association	174,823	274,517	49,069	498,409	311,467
Home Mission Grant	-	126,603	-	126,603	117,616
	<u>174,823</u>	<u>401,120</u>	<u>49,069</u>	<u>625,012</u>	<u>429,083</u>

In 2016, £185,931 of the total costs related to staff costs, £206,408 to direct costs and the remaining £28,659 to support costs.

b) Direct charitable expenditure

	2017			Total £	2016 Total £
	Unrestricted Funds £	Designated Funds £	Restricted Funds £		
Home Mission Grant	126,603	-	-	126,603	117,616
Sabbatical and Educational Grants	250	-	-	250	5,025
Travel	16,397	-	-	16,397	15,116
Leaders Days and SCBA Event Costs	11,923	-	-	11,923	16,481
SCBA Ministers Conference	22,230	-	-	22,230	19,119
Community Learning Tutor	4,000	-	-	4,000	4,000
Churches Together Grants	3,378	-	-	3,378	3,778
Church of the Year Grant	-	-	4,150	4,150	5,563
Confidential Fund	-	-	2,410	2,410	1,825
CYF National Round Table	-	1,095	-	1,095	-
CYF Working Group	6,034	-	-	6,034	-
DFES Funds for Youth Work	-	-	-	-	75
Fairford Trust	-	-	1,150	1,150	800
De La Mare	-	-	-	-	2,000
Abraham Trust	-	-	-	-	1,500
Education & Sabbatical Grants	-	2,903	-	2,903	1,000
Loan Fund	500	-	-	500	-
Orphan Pension Debts	-	131,060	-	131,060	-
Pioneer Mission Fund	-	47,474	-	47,474	12,510
Rural Ministry Fund	-	-	19,563	19,563	-
DFES Fund	-	-	-	-	-
	<u>191,315</u>	<u>182,532</u>	<u>27,273</u>	<u>401,120</u>	<u>206,408</u>

In 2016, £181,135 direct charitable expenditure related to the unrestricted fund, £15,010 to designated funds and £10,263 to restricted funds.

SOUTHERN COUNTIES BAPTIST ASSOCIATION

Notes to the financial statements for the year ended 31 December 2017

3 RESOURCES EXPENDED – continued

c) Support costs

	2017			Total £	Restated 2016
	Unrestricted Funds £	Designated Funds £	Restricted Funds £		Total £
Support costs					
Printing, Postage & Telephone	2,356	-	-	2,356	1,696
Publications and Equipment	1,998	-	-	1,998	1,898
Volunteer Expenses and Fees	4,121	-	-	4,121	2,726
Staff Book and Study Allowance	820	-	-	820	451
Insurance	2,627	-	-	2,627	1,544
Building Hire	2,334	-	-	2,334	2,190
Office Equipment and Phone Rental	1,387	-	-	1,387	2,563
Baptist Union Subscription	839	-	-	839	774
Professional fees	7,378	-	-	7,378	6,283
Other Expenditure	14,400	-	-	14,400	2,817
Bank Charges	106	-	-	106	603
Interest on Pension Deficit	6,453	-	-	6,453	8,999
Governance:					
Auditors' remuneration – audit fees	4,250	-	-	4,250	4,200
	<u>49,069</u>	<u>-</u>	<u>-</u>	<u>49,069</u>	<u>36,744</u>

In 2016, all of the £28,659 of support costs were attributable to the unrestricted fund.

4 STAFF COSTS

a) All Staff Costs

	2017 £	2016 £
Salaries including housing costs where applicable	152,066	145,871
Social security costs	7,998	10,033
Employer's contribution to pension schemes	14,759	30,027
	<u>174,823</u>	<u>185,931</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

	2017	2016
Full time Regional Ministers	3	2
Part time Regional Ministers	2	2
Part time Administrator	1	1
Part time Support Staff (Admin Assistants)	1	1
	<u>7</u>	<u>6</u>

SOUTHERN COUNTIES BAPTIST ASSOCIATION

Notes to the financial statements for the year ended 31 December 2017

4 STAFF COSTS – continued

c) Trustees' remuneration and benefits

The Revd. Grenville Overton and Colin Norris, who are trustees and Directors of the association, received remuneration for employment with the charity for their work as Regional Ministers.

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

	2017	2016
Trustee remuneration – non-trustee work	£	£
Trustee remuneration	37,500	42,300
Employer's contribution to pension schemes	8,200	8,968
	<u>45,700</u>	<u>51,268</u>

Trustees' expenses	2017	No of trustees	2016	No of trustees
	£		£	
Director's Expenses	16,613	1	13,981	1
Volunteer Director Expenses	3,816	6	2,097	6
	<u>20,429</u>	<u>7</u>	<u>16,078</u>	<u>7</u>

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

d) Trustee Indemnity Insurance

The Association paid for trustee indemnity insurance at a cost of £550 (2016: £521)

e) Pension Costs

The Association is an employer participating in the Baptist Union Pension Scheme ("the Ministers Fund"), and the Baptist Union Staff Pension Scheme ("the Staff Scheme"). Both schemes are part of a separate legal entity which is administered by a Pension Trustee (Baptist Pension Trust Limited).

Employees are no longer eligible to join the Defined Benefits section of the Ministers Fund or the Staffs, both of which are not contracted out of the State Second Pension.

Ministers Fund

The main benefit provided by the Ministers' Fund is a pension of one eightieth of final Minimum Pensionable income together with additional pension in respect of premiums paid on Pensionable Income in excess of the Minimum Pensionable Income. The Scheme started in 1925, but the Defined Benefits section was closed to future accrual of benefits on 31 December 2011.

A formal valuation of the Defined Benefit part of the Ministers Scheme was performed on the 31 December 2015 by a professionally qualified Actuary. The market value of the Scheme's assets is not yet known. The last valuation valued the Scheme's assets on the 31 December 2013 at £246 million.

As there is a large number of contributing employers in the Ministers Fund, the Southern Counties Baptist Association is presently unable to identify its share of the underlying assets and liabilities (particularly the assets). Accordingly, due to the nature of the Ministers Fund, the profit and loss charge for the period represents the employer contributions payable.

SOUTHERN COUNTIES BAPTIST ASSOCIATION

Notes to the financial statements for the year ended 31 December 2017

e) Pension Costs - continued

Staff Scheme

From January 2012, pension provision for both Ministers and Lay Staff is being made through the Defined Contribution (DC) Plan within the Baptist Pension Scheme. Members pay 8% of their Pensionable Income and employers pay 6% of members' Pensionable Income into individual pension accounts which are operated and managed on behalf of the Pension Trustee by Legal and General Life Assurance Society Limited. In addition, the employer pays a further 4% of Pensionable Income to cover Death in Service Benefits, the administration of the DC Plan, and an associated insurance policy which provides income protection for Scheme members in the event that they are unable to work due to long-term incapacity. This income protection policy has been insured by the Baptist Union of Great Britain with Unum Limited.

A formal valuation of the Staff Scheme was performed at 1 January 2014. No valuation has been made since then.

The valuation of the Staff Scheme revealed a deficit of assets compared with the value of liabilities of £3,600,000 (equivalent to a past service funding level of 59%). As a result of the valuation, in addition to the contributions to the DC Plan set out above, deficiency contributions from each employer to the Staff Scheme (now a closed DB Plan within the Scheme) were set initially at £1,500 per annum for each member of the Scheme (including deferred pensioners, pensioners and widow(er)s) for which that employer is responsible. These deficiency contributions will rise annually on 1 January in line with the Retail Prices Index at the previous September, and to reflect any reduction in the overall number of Scheme members, and are subject to an inflation adjusted minimum of £240,000 each year. The Recovery Plan envisages deficiency contributions being required until 2023.

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

The financial assumptions underlying the valuations were as follows:

	Ministers and Staff
Discount rate pre-retirement	5.10%
Discount rate post retirement	3.95%
Rate of revaluation on deferred pensions accrued to 5 April 2009	3.60%
Rate of revaluation on deferred pensions accrued after 5 April 2009	2.50%
Rate of pension increases on benefits accrued to 5 April 2006	3.40%
Rate of pension increases on benefits accrued after 5 April 2006	2.30%

As there is a large number of contributing employers participating in the Scheme, the Association is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, due to the nature of the schemes, the profit and loss charge for the period represents the employer contributions payable.

The staff also have the option of the Association making a contribution to a personal pension plan.

5 INVESTMENTS

	Brought forward	Additions	Disposals	Investment Gain/(Loss)	Carried forward
	£	£	£	£	£
Investments held by BU Corporation	46,466	-	-	1,416	47,882
Baptist Insurance Co	7,070	-	-	4,950	12,020
	<u>53,536</u>	<u>-</u>	<u>-</u>	<u>6,366</u>	<u>59,902</u>

There are no investments held outside the UK.

The equity investment relates to 2,404 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.

SOUTHERN COUNTIES BAPTIST ASSOCIATION

Notes to the financial statements for the year ended 31 December 2017

6 DEBTORS

	2017	2016
	£	£
Debtors: Amounts falling due within one year		
Loans to churches	30,000	40,900
Other debtors	3,148	635,844
	<u>33,148</u>	<u>676,744</u>
Debtors: Amounts falling due after more than one year		
Loans to churches	221,950	232,050
	<u>255,098</u>	<u>908,794</u>

Loans totalling £29,000 (2016: £65,500) were made to churches during the year and £100,000 (2016: £76,500) were repaid during the year. Included in the loans to churches balance above is an amount of £50,000 relating to a concessionary loan which was committed but unpaid at year end.

Financial instruments included in the above debtor balances are £253,256 (2016- £908,794).

7 CASH & CASH EQUIVALENTS

	2017	2016
	£	£
Cash held for SCBA deposited with BUC	274,520	272,273
SCBA Funds held in BU Deposit Fund	1,396,681	971,823
SCBA COIF Deposit Account	14,899	14,864
CAF Account	-	3,561
HSBC	199,104	86,476
	<u>1,885,204</u>	<u>1,348,997</u>

8 CREDITORS

	2017	2016
	£	£
Amounts falling due within one year		
Accruals and deferred income	62,361	18,353
Prepaid income	3,425	-
Taxation and social security	5,442	4,166
Other creditors	39,850	42,720
	<u>111,078</u>	<u>65,239</u>

Financial instruments included in the above creditor balances are £102,211 (2017- £61,073)

9 PROVISION FOR LIABILITIES

	2017	Restated 2016
	£	£
Defined Benefit pension scheme liability	<u>249,400</u>	<u>291,232</u>
Balance at 1 January 2017	291,232	275,707
Contributions paid in the year	(55,431)	(17,250)
Net interest expense	6,453	8,999
Actuarial movement in the year	7,146	23,776
	<u>249,400</u>	<u>291,232</u>

SOUTHERN COUNTIES BAPTIST ASSOCIATION

Notes to the financial statements for the year ended 31 December 2017

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)	40,209	99	-	-	-	40,308
De la Mare	20,453	235	-	-	-	20,688
Confidential Fund	4,644	880	-	(2,410)	-	3,114
Fairford Trust (Education Grants)	35,520	786	-	(1,150)	966	36,122
Church of the Year	766	5,749	-	(4,150)	-	2,365
DFES Funds for Youth Work	1,014	-	-	-	-	1,014
Rural Ministry	-	22,500	-	(19,563)	-	2,937
	<u>102,606</u>	<u>30,249</u>	<u>-</u>	<u>(27,273)</u>	<u>966</u>	<u>106,548</u>

These are funds given or raised for a specific purpose or are defined by Trust Deeds.

Robert Alden Memorial Fund is to be used for Capital Loans and Grants Interest Free of up to £10,000 to churches which were part of the former Oxford and East Gloucestershire Baptist Association (OEGBA).

The De La Mare Fund income to be used for the furtherance of Mission and where necessary to meet costs of book allowances for Regional Team.

Confidential Fund (Abraham Trust) is to be used to support those in need in churches which were part of the former OEGBA.

Church of the Year Fund is to receive and distribute gifts received from churches for the annually nominated Church of the Year within the association.

DFES Grants is to be used for the training of Youth Workers. (Residual Monies given by DFES between 2005 and 2008).

SOUTHERN COUNTIES BAPTIST ASSOCIATION

Notes to the financial statements for the year ended 31 December 2017

11 ACCUMULATED FUNDS - continued

b) General and Designated Funds

	Restate Year Start	Income	Transfers	Spending	Gain/(Loss)	Year End
	£	£	£	£	£	£
GENERAL FUNDS						
Investment in Baptist Insurance Company	7,070	-	-	-	4,950	12,020
General Fund	1,039,338	423,860	(130,000)	(414,707)	(7,146)	911,345
Loan Funds (excluding Alden Memorial)	549,522	7,958	-	(500)	-	556,980
	<u>1,595,930</u>	<u>431,818</u>	<u>(130,000)</u>	<u>(415,207)</u>	<u>(2,196)</u>	<u>1,480,345</u>
DESIGNATED FUNDS						
Education and Sabbatical Grants	9,924	-	-	(2,903)	-	7,021
Abraham Trust (Confidential)	8,283	330	-	-	450	9,063
Children Youth and Families National Forum Fund	1,000	95	-	(1,095)	-	-
Pension Fund Debt Reserve	109,478	25,476	80,000	(131,060)	-	83,894
Pioneer Mission Fund	127,635	22,694	50,000	(47,474)	-	152,855
	<u>256,320</u>	<u>48,595</u>	<u>130,000</u>	<u>(182,532)</u>	<u>450</u>	<u>252,833</u>
TOTAL OF ALL FUNDS	<u>1,954,856</u>	<u>510,662</u>	<u>-</u>	<u>(625,012)</u>	<u>(780)</u>	<u>1,839,726</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 fund designated to support new and exciting ways of mission across the association. In conjunction with the appointment of a regional minister.

12 RECONCILIATION OF OPENING FUNDS

	Unrestricted Funds £'000	Designated Funds £'000	Restricted Funds £'000	Total Funds £'000
Balance at 1 January 2016 as previously reported	1,108,766	155,107	105,838	1,369,711
Prior year adjustment – pension	(237,100)	-	-	(237,100)
Balance at 1 January 2016 restated	<u>871,666</u>	<u>155,107</u>	<u>105,838</u>	<u>1,132,611</u>
Balance at 1 January 2017 as previously reported	1,856,130	256,320	102,606	2,215,056
Prior year adjustment – pension	(260,200)	-	-	(260,200)
Balance at 1 January 2017 restated	<u>1,595,930</u>	<u>256,320</u>	<u>102,606</u>	<u>1,954,856</u>

The prior year adjustments relate to the recognition of the net present value of the repayment plan on the defined benefit pension scheme that had not been recognised in the prior year.

SOUTHERN COUNTIES BAPTIST ASSOCIATION

Notes to the financial statements for the year ended 31 December 2017

13 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:

	2017	2016
	£	£
Gifts via SCBA	411,339	352,211
Gifts given direct to the BU	-	-
Total gifts to Home Mission	<u>411,339</u>	<u>352,211</u>

14 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 2017 £
Restricted	-	106,548	-	106,548
Unrestricted	59,902	1,983,754	(310,748)	1,733,178
TOTAL	<u>59,902</u>	<u>2,090,302</u>	<u>(310,748)</u>	<u>1,839,726</u>