

Charity Registration No. 1091066

Company Registration No. 04279837 (England and Wales)

**THE SOUTHERN COUNTIES BAPTIST ASSOCIATION  
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**





# THE SOUTHERN COUNTIES BAPTIST ASSOCIATION

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# THE SOUTHERN COUNTIES BAPTIST ASSOCIATION

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees:</b>	Dr Mike Mortimer Rev'd Anne Carter Rev'd Nigel Cox Mrs Ann Andrews Mr John Bragg Rev'd Anthony Clarke Mrs Melvina Fawcett Rev'd Simon Ford Rev'd Martin Hardwidge Mr Andrew Johnson Rev'd Dr Colin Norris Mrs Anne Lane	Moderator of the trustees (until November 2019) Moderator of the trustees (from November 2019) Association Treasurer  (Appointed 23 January 2019) Regent's Park College Representative  (Appointed 6 January 2019) (Appointed 11 November 2019) Regional Ministry Team Leader
<b>Regional Ministry Team:</b>	Rev'd Dr Colin Norris Rev'd Alison Boulton Rev'd Clare Hooper Rev'd Jonathan Hunt Rev'd David Llewellyn	Regional Ministry Team Leader Pioneer Mission Enabler (until July 2019) Children, Youth & Families Missional Developer Regional Minister Regional Minister
<b>Staff Team:</b>	Mrs Amy Allen Ms Andrea King Miss Alysen Merrill	Administration Manager Safeguarding Officer Administration Support
<b>Charity number</b>	1091066	
<b>Company number</b>	04279837	
<b>Registered office and operational address</b>	Baptist House 129 Broadway Didcot Oxfordshire OX11 8XD	
<b>Independent examiner</b>	Colin Dadswell FCA ACCA DChA Caladine Limited Chantry House 22 Upperton Road Eastbourne East Sussex BN21 1BF	
<b>Bankers</b>	HSBC Bank plc 186 Broadway Didcot OX11 8RP	

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# THE SOUTHERN COUNTIES BAPTIST ASSOCIATION

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

**FOR THE YEAR ENDED 31 DECEMBER 2019**

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The trustees, who are also directors of the Association for the purposes of company law, are pleased to present their Annual report and financial statements of the charitable company for the period 1 January 2019 to 31 December 2019, which are prepared to meet the requirements for a director's report and accounts for Companies Act purposes.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Memorandum and Articles of Association, the Companies Act 2006 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 (FRS 102) (effective 1 January 2019)".

### **Objectives and activities**

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

The objective of the charitable company is '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 principal activities of the charitable company are the employment of Regional Ministers and administrative staff team, with 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 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. More detailed information about the activities and their success is provided in the "Achievements and Performance" section of this report.

The charitable company aims to:

#### *Short-term:*

- 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 Regionally Recognised Leaders and lay pastors.(our RRL formation fulfils BUGB requirements for Lay Pastors so they can be separately listed).
- 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.
- Receive and consider reports from the SCBA Strategy Groups and the Regional Ministers, enabling the charitable company to maintain effective governance.

# THE SOUTHERN COUNTIES BAPTIST ASSOCIATION

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

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### *Long-term:*

- Make Safeguarding training available on a rolling programme, encouraging and enabling members of our churches to receive training at a reduced cost or free, and ensuring that ministers have completed Level 2 & 3 training.
- 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.
- 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 advice on issues having a potentially wide-ranging effect with a view to mitigating risk.

The aim of our charity is to grow healthy churches in relationship for God's mission and this fully reflects the purposes that the charity was set up to further. The team and trustees sought to achieve these aims 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.

The trustees review our aims, objectives and activities each year through appraisals of the team and the work that they have carried out. In doing this, not only are we able to ensure that our aims, objectives and activities remain focussed, but also that the team are carrying out their roles to the best of their abilities.

### Significant Activities of our Association included:

- Hosting events for ministers and leaders, including a three-day conference, to teach and to develop and deepen their relationship with God
- Providing Home Mission Grants to sustain churches and organisation for mission in their communities
- Providing support for our Association churches, ministers and leaders, including pastoral, safeguarding and monetary.
- Through different Association working groups, continuing to assess and develop the various aspects of our mission, including finance, safeguarding and leadership development.

The Association's volunteers have roles either as trustees on the Steering and Strategy Group; or as a non-trustee members of one of the Association working groups. The Association also uses volunteers to carry out their safeguarding training sessions, who are trained to a high standard to fulfil this role. The trustees of the Association spent their Away Day in May discussing and reviewing the exciting pioneer work in the Association.

### **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. More detailed information about the activities and their success is provided in the "Achievements and Performance" section of this report.

# THE SOUTHERN COUNTIES BAPTIST ASSOCIATION

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

*FOR THE YEAR ENDED 31 DECEMBER 2019*

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### **Achievements and performance**

The Association is made up of **158** member churches of the Association, mainly located in Berkshire, Dorset, Gloucestershire, Guemsey, Hampshire, Isle of Wight, Oxfordshire and Wiltshire, covering thirteen counties in total. 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 was led by Mrs Anne Lane as Community Tutor in partnership with the Association, until she retired in August 2019. The College offers year-long courses to between 20 and 30 students, meeting once a month on Saturdays.

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. Three ministers became Fully Accredited Ministers and were recognised at the Baptist Assembly, with ten Newly Accredited Ministers gathering together for two reflection sessions in February and September

The Regional Ministry Team spent the year making contact with their allocated churches and ministers, giving advice and support where needed, as well as attending church meetings and leading or speaking at services.

Safeguarding training is being run across the Association with a trained team of Safeguarding Trainers (all of whom are volunteers) in the light of the national policies and procedures. Nineteen Safeguarding Training Sessions were held throughout the year with over 600 church staff and volunteers from our Association churches and communities trained in Safeguarding for Children and Adults at Risk. In October seventy church staff and volunteers from our Association churches and communities attended a Spiritual Abuse Training Day, run by Dr Lisa Oakley, Associate Professor in Applied Psychology at Chester University and Revd Graham Criddle, minister of West Street Christian Fellowship. Another training day is scheduled for February 2020.

In the period 1st April 19 to 30 October 19, SCBA received a total of 200 safeguarding contacts for advice. More contacts were received in this seven-month period, than in the preceding 12-month period. The associated rise in contacts is anecdotally related to an increase in safeguarding training provision, an increased raising of awareness of what matters and an increase in societal stress. These are appropriately consulted on with SCBA leading to an increase in safeguarding matters. All of the contacts received by SCBA were appropriate contacts.

Various events, training and meetings were held throughout the year. 118 Ministers & Leaders attended our three-day conference held in February, at a hotel in Cheltenham, led by Kang-San and Loun Tan from BMS World Mission. The conference also included additional sessions for 23 Chaplains/Sector Ministers and 11 Children, Youth and Families Workers, both exploring their roles in their communities. 93 Ministers and Leaders attended a Leaders' Day in June, led by Rev David Coffey, Global Ambassador for BMS World Mission, speaking on "Mentored by Jesus". The SCBA Annual General Meeting and Leaders' Day was held in November, attended by 148 members, with Revd Ken Benjamin, BU President, speaking on "Where do we grow from here".

Throughout 2019, 160 children, youth and families workers (paid and volunteers) attended the SCBA Spiritual Child Training led by Revd Clare Hooper speaking on the faith development of children and young people. A Mentoring Network was set up in the Association for those ministers interested in or currently mentoring in our Association and over 30 mentors attended two mentoring workshops run by Revd Dr Colin Norris and Revd Jonathan Hunt. In September the Regional Ministry Team and members of the Association joined Revd Alison Boulton at her home church of The Stowe, Swindon, to say farewell to her and to thank her for the positive impact she has had on pioneering in the Association.

The Association made a difference to its beneficiaries in terms of support, advice and training when requested or offered. Also, the Mission Enabling Group and the Staff, Finance & Administration Group vetted and advised on the applications for Home Mission grants from 10 churches and 4 para-church organisations, including consultation about the approach taken with representatives from South-West, West and South Wales Baptist Associations with whom we informally partner. The Association has also made a number of grants to individuals for education and development.

# THE SOUTHERN COUNTIES BAPTIST ASSOCIATION

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2019**

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The Association provided support to member churches and ministers during the year in pursuit of its objective of the advancement of the Christian faith. Also, with our objective in mind a programme of training events and educational seminars has taken place throughout the year as well as the Trustees and the Regional Ministry Team considering ways in which the Association's services to churches can be further developed.

In reviewing the achievements and performance of the Association during the reporting period, this is mainly achieved through the number of ministers, leaders, members and churches who have interacted with the Association in some way, whether through events, training, or meeting with the Regional Ministry Team.

A number of positive and negative factors, both within and outside the charity's control have affected the achievements of its objectives. The Association continues to benefit from the larger Regional Ministry Team which has meant that more churches have been supported. The recruitment of the Safeguarding Officer role has also been an extremely positive factor, taking some of the pressure and work from the Regional Ministry Team. The continuing progress of the working groups has been successful and has meant that the varied aspects of the Association have been highlighted. The working groups are currently: Staff Finance and Administration; Children, Youth and Families; Safeguarding; Leadership and Ministerial Development; Mission Development; Home Mission; Pioneering; and Justice. The new Communications group has begun to produce podcasts and video interviews to promote activities and events in the Association.

Even with a larger Regional Ministry Team, it is still a challenge to support 158 churches and also pioneer projects. There are also those churches who are difficult to contact, sometimes because they do not wish to have contact with the Association and are very independent. The restriction of finance and resources will continue to have a negative impact on the objectives in the future of the Association and the way the objectives are fulfilled.

In regard to fundraising activities, the Association has a major responsibility for encouraging churches to donate funds to 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 2019, the giving by SCBA churches failed to reach the target set for the Association by the Baptist Union.

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 ministers or spouses. A grant of the money raised for Baptist Home Mission in 2018 was given to the Association to cover staff salaries and administrative costs in 2019, as well as to distribute to Home Mission grant recipients. This is the principal source of income to cover the operating costs of the Association. The Association did not use any material expenditure to raise income in the reporting period.

### **Financial review**

During 2019 the overall funds of the Association decreased by £194,956 (2018: increase of £118,429 as a result of closed church money).

The Association had Unrestricted General Funds of £1,658,942 at the period end and £104,367 restricted funds. The Association's general fund totalled £931,528 at the end of 2019. Funds of £562,590 are held as loan funds for interest free loans to churches, of which £342,479 was on loan. In addition there were designated funds amounting to £152,704.

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

The Association maintains reserves of £450,000 which currently represent approximately 9 months full running costs.

The trustees have recognised that, taking into account recent staff team development, the Association will be running a deficit budget for a number of years which is likely to be within the region of £135,000 a year unless additional funds accrue.



# THE SOUTHERN COUNTIES BAPTIST ASSOCIATION

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

*FOR THE YEAR ENDED 31 DECEMBER 2019*

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Given the existing level of unrestricted funds above and beyond that necessary to maintain the Association's reserves the Trustees consider the Association remains a going concern despite an excess of expenditure over income. However, since there is little prospect of a significant reduction in costs if the Association continues to operate at its current level, the Trustees are engaging in a thorough review of all our activities and commitments.

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

The Association incurred financial costs on the majority of its events. The Ministers' & Leaders' Conference is contributed towards by those attending, but additional costs including speaker fees and staff accommodation are covered by the Association. In 2019 those attending the Leaders' Days contributed £5 to attend the day to pay towards the venue and speaker fees. The safeguarding training is largely covered by the cost of those attending. Association support, events and training also incur the costs of the Regional Ministry Team time and mileage.

In regard to investment performance, 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.

The principal risk facing the Association is the current deficit budget. This has been fully identified by the trustees, through the Staff, Finance and Administration Group. The Association trustees and Regional Ministry Team have met to discuss the Strategic Review and the way forward whilst working with a deficit budget.

The principal funding source to SCBA is from Home Mission giving from our Association churches, either through SCBA or directly to the Baptist Union of GB. This is then put into a "shared pot" with the other Associations in the union, and SCBA then receive a percentage of the total amount. An increase in giving to the Home Mission fund from SCBA churches may not directly result in an increased grant directly to SCBA.

The Association is part of a very complex multi-employer defined benefit pension scheme comprising approximately 1,200 employers. SCBA have now paid off the pension debt that was owed for the Association. Debts to churches that had closed and who did not own a building to sell were also covered by SCBA. The Association has conducted research to establish other churches whose trustees would be liable to pay the pension debt if the church closed (and if a building sale will not cover the debt) and SCBA will also be able to cover these debts.

The trustees has assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

### PLANS FOR FUTURE PERIODS

During 2020, the charitable company will seek to continue to fulfil its objectives 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.

Activities will include: the continuation of Safeguarding Training available to all ministers and leaders, and hosted by our member churches; continuation of training events available to all ministers and leaders, particularly in Mentoring, Spiritual Abuse and Children and Youth, and Mental Health First Aid Training; supporting the member churches, either pastorally through the Regional Ministry Team, or financially through grants; and hosting ministers' and leaders' events including a three-day conference and the AGM. The Board of Trustees will continue to carry out a Strategic Review of the Association, particularly reviewing the current deficit.

# THE SOUTHERN COUNTIES BAPTIST ASSOCIATION

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2019**

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### **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.

The charity is an Incorporated Private Limited Company and is constituted of a board eight trustees, who are also the Company Directors, including the Moderator and the Treasurer, who oversee the works of the charity. The charity's members are the 158 churches within the Association, who have the right to appoint two representatives to attend and vote at general meeting of the Association.

The board of Trustees consists of:

- The Regional Ministry Team Leader
- The Moderator appointed by the members of the Association
- The Treasurer appointed by the members of the Association
- A person appointed by Regent's Park College for such term of office and accordance with such procedures and rules as shall from time to time be decided by the College
- Four trustees appointed by the members of the Association (three further trustees were appointed by vote at the AGM in November 2019)

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mrs Anne Andrews	
Rev'd Anthony Clarke	
Rev'd Nigel Cox	
Mrs Melvina Fawcett	
Rev'd Simon Ford	
Mrs Anne Lane	
Dr Michael Mortimer	(Resigned 11 November 2019)
Rev'd Dr Colin Norris	
Mr John Bragg	(Appointed 23 January 2019)
Rev'd Martin Hardwidge	(Appointed 6 January 2019)
Rev'd Anne Carter	(Appointed 11 November 2019)
Mr Andrew Johnson	(Appointed 11 November 2019)

Up to six trustees can be appointed on to the trustee board, three of which will be appointed solely to enable the trustee board to positively represent the age, sex and ethnic origin of the membership of the member churches.

The Association Moderator is at the head of the Association. Below this role are the rest of the board of the trustees including the Association Treasurer. The Regional Ministry Team Leader is responsible for the rest of the team of four Regional Ministers and three support staff. A structure of strategic and enabling groups is in place to support the various aspects of the Association. These areas are: Staff, Finance & Administration; Leadership & Ministerial Development; Children, Youth & Families; Safeguarding; Pioneer Mission; Mission Development; Home Mission; Communication and Justice. In line with the Memorandum and Articles, the majority of the decisions made by the charity as a whole will be made by the Board of Trustees, though on occasions, the other strategy groups or Regional Ministry Team will make decisions and inform the Board of Trustees of these decisions.

Prospective trustees are advised of the qualifications for serving as charity trustees and directors. They are invited to an informal discussion with the Moderator or Regional Ministry Team Leader to discuss the appointment. On appointment they are provided with an overview of the governing documents of instruments and activities of the charitable company, along with the Association policies and past trustee meeting minutes. Trustees are invited to the various training sessions hosted by the Association or Baptist Union for its members, including Data Protection and Safeguarding.

# THE SOUTHERN COUNTIES BAPTIST ASSOCIATION

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

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The Regional Ministry Team are paid a stipend which is in line with the recommended stipend by the Baptist Union plus a percentage depending on their position in the team. Housing allowance and expenses are also paid on a monthly basis. The rest of the staff team are paid a salary, decided by the Board of Trustees, plus any out of pocket expenses. All volunteers within the Association are paid any out of pocket expenses, particularly for travel to and from meetings and events.

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.

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, as well as used for the running of the Association. The Association also works informally in partnership with three other Association within the Baptist Union: West of England Baptist Association, South West Baptist Association and South Wales Baptist Association. The Partnership is mainly for mutual support, inspiration and advice in pursuing the aims and objectives of the Associations.

### Statement of trustees' responsibilities

The trustees, who are also the directors of The Southern Counties Baptist Association for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.


In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity 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 charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees' report was approved by the Board of Trustees.

  
.....  
**Rev'd Nigel Cox**  
Trustee  
Dated: 3/6/2020

  
.....  
**Rev'd Anne Carter**  
Trustee  
Dated: 3/6/2020

# THE SOUTHERN COUNTIES BAPTIST ASSOCIATION

## INDEPENDENT EXAMINER'S REPORT

### TO THE TRUSTEES OF THE SOUTHERN COUNTIES BAPTIST ASSOCIATION

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I report to the trustees on my examination of the financial statements of The Southern Counties Baptist Association (the charity) for the year ended 31 December 2019.

#### Responsibilities and basis of report

As the trustees of the charity (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the financial statements of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

#### Independent examiner's statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of The Association of Chartered Certified Accountants, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.



Colin Dadswell FCAACCA DChA

Caladine Limited  
Chantry House  
22 Upperton Road  
Eastbourne  
East Sussex  
BN21 1BF

Dated: 09/06/2020

# THE SOUTHERN COUNTIES BAPTIST ASSOCIATION

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2019

### Current financial year

	Notes	Unrestricted funds general 2019 £	Unrestricted funds designated 2019 £	Restricted funds 2019 £	Total 2019 £	Total 2018 £
<b>Income from:</b>						
Donations and legacies	3	500	-	32,758	33,258	34,870
Charitable activities	4	324,513	-	-	324,513	346,653
Investments	5	12,312	97	1,282	13,691	16,195
Other income	6	-	-	-	-	155,931
<b>Total income</b>		<b>337,325</b>	<b>97</b>	<b>34,040</b>	<b>371,462</b>	<b>553,649</b>
<b>Expenditure on:</b>						
Charitable activities	7	432,753	72,005	42,435	547,193	549,853
Net gains/(losses) on investments	12	-	-	-	-	(268)
<b>Net (outgoing)/incoming resources before transfers</b>		<b>(95,428)</b>	<b>(71,908)</b>	<b>(8,395)</b>	<b>(175,731)</b>	<b>3,528</b>
Gross transfers between funds	19	(4,313)	-	4,313	-	-
<b>Net (outgoing)/incoming resources</b>		<b>(99,741)</b>	<b>(71,908)</b>	<b>(4,082)</b>	<b>(175,731)</b>	<b>3,528</b>
<b>Other recognised gains and losses</b>						
Actuarial gain on defined benefit pension schemes		1,739	-	-	1,739	114,901
<b>Net movement in funds</b>		<b>(98,002)</b>	<b>(71,908)</b>	<b>(4,082)</b>	<b>(173,992)</b>	<b>118,429</b>
Fund balances at 1 January 2019		1,625,094	224,612	108,449	1,958,155	1,839,726
<b>Fund balances at 31 December 2019</b>		<b>1,527,092</b>	<b>152,704</b>	<b>104,367</b>	<b>1,784,163</b>	<b>1,958,155</b>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

# THE SOUTHERN COUNTIES BAPTIST ASSOCIATION

## STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2019

Prior financial year		Unrestricted funds general 2018 £	Unrestricted funds designated 2018 £	Restricted funds 2018 £	Total 2018 £
	Notes				
<b>Income from:</b>					
Donations and legacies	3	2,000	-	32,870	34,870
Charitable activities	4	345,792	861	-	346,653
Investments	5	15,365	75	755	16,195
Other income	6	155,931	-	-	155,931
<b>Total income</b>		<b>519,088</b>	<b>936</b>	<b>33,625</b>	<b>553,649</b>
<b>Expenditure on:</b>					
Charitable activities	7	475,117	43,186	31,550	549,853
Net gains/(losses) on investments	12	-	(94)	(174)	(268)
<b>Net (outgoing)/incoming resources before transfers</b>		<b>43,971</b>	<b>(42,344)</b>	<b>1,901</b>	<b>3,528</b>
Gross transfers between funds	19	(14,123)	14,123	-	-
<b>Net (outgoing)/incoming resources</b>		<b>29,848</b>	<b>(28,221)</b>	<b>1,901</b>	<b>3,528</b>
<b>Other recognised gains and losses</b>					
Actuarial gain on defined benefit pension schemes		114,901	-	-	114,901
<b>Net movement in funds</b>		<b>144,749</b>	<b>(28,221)</b>	<b>1,901</b>	<b>118,429</b>
Fund balances at 1 January 2018		1,480,345	252,833	106,548	1,839,726
<b>Fund balances at 31 December 2018</b>		<b>1,625,094</b>	<b>224,612</b>	<b>108,449</b>	<b>1,958,155</b>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

# THE SOUTHERN COUNTIES BAPTIST ASSOCIATION

## STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2019

	Notes	2019		2018	
		£	£	£	£
<b>Fixed assets</b>					
Property, plant and equipment	13		449,241		451,751
Investments	14		12,020		12,020
			<u>461,261</u>		<u>463,771</u>
<b>Current assets</b>					
Debtors falling due after one year	15	187,000		215,000	
Debtors falling due within one year	15	38,180		45,516	
Cash at bank and in hand		1,280,183		1,441,655	
		<u>1,505,363</u>		<u>1,702,171</u>	
<b>Current liabilities</b>	16	<u>(52,745)</u>		<u>(65,825)</u>	
Net current assets			<u>1,452,618</u>		<u>1,636,346</u>
<b>Total assets less current liabilities</b>			<u>1,913,879</u>		<u>2,100,117</u>
<b>Provisions for liabilities</b>			<u>(129,716)</u>		<u>(141,962)</u>
<b>Net assets</b>			<u>1,784,163</u>		<u>1,958,155</u>
<b>Income funds</b>					
Restricted funds	19		104,367		108,449
<u>Unrestricted funds</u>					
Designated funds	20	152,704		224,612	
General unrestricted funds		1,527,092		1,625,094	
		<u>1,679,796</u>		<u>1,849,706</u>	
			<u>1,784,163</u>		<u>1,958,155</u>

# THE SOUTHERN COUNTIES BAPTIST ASSOCIATION

## STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 31 DECEMBER 2019

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The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2019.

The trustees acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 3rd June 2020



.....  
Rev'd Nigel Cox  
Treasurer

Company Registration No. 04279837



# THE SOUTHERN COUNTIES BAPTIST ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

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### 1 Accounting policies

#### Company information

The Southern Counties Baptist Association is a private company limited by guarantee incorporated in England and Wales. The registered office is Baptist House, 129 Broadway, Didcot, Oxfordshire, OX11 8XD.

#### 1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Memorandum and Articles of Association, the Companies Act 2006 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 (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

#### 1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

#### 1.3 Charitable funds

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 fund - 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.

#### 1.4 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

# THE SOUTHERN COUNTIES BAPTIST ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2019

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#### 1 Accounting policies (Continued)

##### 1.5 Expenditure

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 under £2,000 on office furniture and computer equipment is written off as incurred. Expenditure over £2,000 on a single item will be written off over 4 years.

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 accounts and independent examination.

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

##### 1.6 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following basis:

Freehold land and buildings	Freehold Land - Nil, Freehold Buildings - Over 30 years
-----------------------------	---------------------------------------------------------

Depreciation of buildings is based on an anticipated useful life of 30 years with a residual value equal to two thirds of the original cost.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

No depreciation is provided in the year of acquisition.

##### 1.7 Non-current investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

##### 1.8 Impairment of non-current assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

# THE SOUTHERN COUNTIES BAPTIST ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

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### 1 Accounting policies (Continued)

#### 1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.10 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.

##### 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.

##### 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.

##### 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 16 December 2018.

#### 1.11 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.

#### 1.12 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

# THE SOUTHERN COUNTIES BAPTIST ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

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### 1 Accounting policies (Continued)

#### 1.13 Retirement 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 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.

### 2 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.

# THE SOUTHERN COUNTIES BAPTIST ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

### 3 Donations and legacies

	Unrestricted funds general 2019 £	Restricted funds 2019 £	Total 2019 £	Unrestricted funds general 2018 £	Restricted funds 2018 £	Total 2018 £
Donations and gifts	500	32,758	33,258	2,000	32,870	34,870
<b>Donations and gifts</b>						
Church of the Year gifts	-	4,668	4,668	-	2,570	2,570
Confidential Fund donations	-	590	590	-	300	300
Rural Ministry Grant	-	27,500	27,500	-	30,000	30,000
Loan Termination Gifts (SCBA Loan Fund)	500	-	500	2,000	-	2,000
	500	32,758	33,258	2,000	32,870	34,870

### 4 Charitable activities

	2019 £	2018 £
Preaching and other fees	6,530	4,682
Leaders' Days & SCBA Event fees	9,526	10,802
SCBA Ministers' Conference Fees	20,113	17,875
Baptist Union grant for Operational Activities	281,794	309,130
Other income	6,550	4,164
	324,513	346,653
<b>Analysis by fund</b>		
Unrestricted funds - general	324,513	345,792
Unrestricted funds - designated	-	861

**THE SOUTHERN COUNTIES BAPTIST ASSOCIATION**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

5 Investments	Unrestricted funds general		Unrestricted funds designated		Restricted funds		Total		Unrestricted funds general		Unrestricted funds designated		Restricted funds		Total	
	2019	£	2019	£	2019	£	2019	£	2018	£	2018	£	2018	£	2018	£
Alden Memorial Fund	-		-		283		283		-		-		183		183	
Abraham Trust - Confidential Fund	-		97		-		97		-		75		-		75	
Fairford Trust - Educational Assistance	-		-		615		615		-		-		341		341	
Loan and General Funds on Deposit with BU	11,911		-		-		11,911		14,964		-		-		14,964	
Baptist Insurance Co Ltd - Dividends	401		-		-		401		401		-		-		401	
De La Mare Fund	-		-		384		384		-		-		231		231	
	12,312		97		1,282		13,691		15,365		75		755		16,195	

# THE SOUTHERN COUNTIES BAPTIST ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

### 6 Other income

	<b>Total</b>	Unrestricted funds general
	<b>2019</b>	2018
	£	£
Closure of Redundant Churches	-	155,931
	<u>          </u>	<u>          </u>

### 7 Charitable activities

	<b>2019</b>	2018
	£	£
Staff costs	298,373	271,939
Depreciation and impairment	2,510	-
Travel	23,409	25,028
Leaders Days and SCBA Event Costs	10,479	14,474
SCBA Ministers Conference	18,412	24,190
Community Learning Tutor	4,000	185
Confidential Fund	750	950
CYF Working group	1,225	2,006
Fairford Trust	750	1,350
Education & Sabbatical Grants	2,245	2,309
Pioneer Mission Fund Expenses	14,441	40,877
Rural Ministry Fund Expenses	5,697	29,250
Pension deficit settlement	26,101	-
	<u>          </u>	<u>          </u>
	408,392	412,558
Grant funding of activities (see note 8)	104,437	83,900
Share of support costs (see note 9)	24,772	42,429
Share of governance costs (see note 9)	9,592	10,966
	<u>          </u>	<u>          </u>
	547,193	549,853
	<u>          </u>	<u>          </u>
<b>Analysis by fund</b>		
Unrestricted funds - general	432,753	475,117
Unrestricted funds - designated	72,005	43,186
Restricted funds	42,435	31,550
	<u>          </u>	<u>          </u>
	547,193	549,853
	<u>          </u>	<u>          </u>

# THE SOUTHERN COUNTIES BAPTIST ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

### 8 Grants payable

	2019 £	2018 £
Grants to institutions:		
Home Mission Grant	94,352	81,200
Churches Together Grants	2,700	2,700
Other	5,435	-
	<u>102,487</u>	<u>83,900</u>
 Grants to individuals	 1,950	 -
	<u>104,437</u>	<u>83,900</u>

### 9 Support costs

	Support costs £	Governance costs £	Total 2019 £	Support costs £	Governance costs £	Total 2018 £
Printing, postage, telephone & office equip	4,965	-	4,965	6,938	-	6,938
Volunteer Exp. and Fees	2,929	-	2,929	2,781	-	2,781
Staff Book & Study Allowance	43	-	43	3,965	-	3,965
Insurance	2,697	-	2,697	3,383	-	3,383
Building Hire	3,500	-	3,500	3,500	-	3,500
Baptist Union Subs	853	-	853	843	-	843
Property repairs	-	-	-	1,602	-	1,602
Interest on pension deficit	3,243	-	3,243	5,375	-	5,375
Other expenditure	6,542	-	6,542	14,042	-	14,042
 Audit fees	 -	 -	 -	 -	 6,094	 6,094
Legal and professional	-	5,752	5,752	-	4,872	4,872
Accountancy & IE	-	3,840	3,840	-	-	-
	<u>24,772</u>	<u>9,592</u>	<u>34,364</u>	<u>42,429</u>	<u>10,966</u>	<u>53,395</u>
 <u>Analysed between</u>						
Charitable activities	<u>24,772</u>	<u>9,592</u>	<u>34,364</u>	<u>42,429</u>	<u>10,966</u>	<u>53,395</u>



# THE SOUTHERN COUNTIES BAPTIST ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

### 10 Trustees

During the year Trustee Rev'd Dr C Norris was paid a salary of £35,087 and benefitted from employer pension contributions totalling £5,384 for his work as the Regional Ministry Team Leader. The authority to employ Trustees is contained within the Charity's governing document.

Other than this, none of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

### 11 Employees

#### Number of employees

The average monthly number of employees during the year was:

	2019 Number	2018 Number
Full time Regional Ministers	3	3
Part time Regional Ministers	2	2
Part time Administrator	1	1
Part time Support Staff (Admin Assistants)	2	2
Dorset Missional Listener	1	1
Pioneer Missioner	1	1
	<u>10</u>	<u>10</u>

#### Employment costs

	2019 £	2018 £
Wages and salaries (2018 including housing costs)	227,276	235,745
Social security costs	12,118	18,523
Other pension costs	13,461	17,671
Housing costs	45,518	-
	<u>298,373</u>	<u>271,939</u>

There were no employees whose annual remuneration was £60,000 or more.

### 12 Net gains/(losses) on investments

	Total 2019 £	Unrestricted funds designated 2018 £	Restricted funds 2018 £	Total 2018 £
Revaluation of investments	-	(94)	(174)	(268)
	<u>-</u>	<u>(94)</u>	<u>(174)</u>	<u>(268)</u>

# THE SOUTHERN COUNTIES BAPTIST ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

### 13 Property, plant and equipment

	<b>Freehold land and buildings £</b>
<b>Cost</b>	
At 1 January 2019	451,751
At 31 December 2019	451,751
<b>Depreciation and impairment</b>	
Depreciation charged in the year	2,510
At 31 December 2019	2,510
<b>Carrying amount</b>	
At 31 December 2019	449,241
At 31 December 2018	451,751

### 14 Fixed asset investments

	<b>Baptist Insurance Co PLC £</b>
<b>Cost or valuation</b>	
At 1 January 2019 & 31 December 2019	12,020
<b>Carrying amount</b>	
At 31 December 2019	12,020
At 31 December 2018	12,020

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. As these shares are not actively traded through Stock Markets, no Market Value can be obtained, resulting in the shares being valued at original cost.

# THE SOUTHERN COUNTIES BAPTIST ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

### 15 Trade and other receivables

	2019	2018
	£	£
<b>Amounts falling due within one year:</b>		
Loans to churches	33,000	40,450
Other receivables	-	5,066
Prepayments and accrued income	5,180	-
	<u>38,180</u>	<u>45,516</u>
	<u>38,180</u>	<u>45,516</u>
<b>Amounts falling due after more than one year:</b>		
Loans to churches	187,000	215,000
	<u>187,000</u>	<u>215,000</u>
<b>Total debtors</b>	<u>225,180</u>	<u>260,516</u>

No new loans to Churches were advanced during the year (2018: £40,000) and £35,450 was received in repayments (2018: £36,500)

### 16 Current liabilities

	2019	2018
	£	£
Other taxation and social security	202	5,476
Prepaid income	5,530	2,805
Other payables	43,173	43,933
Accruals and deferred income	3,840	13,611
	<u>52,745</u>	<u>65,825</u>
	<u>52,745</u>	<u>65,825</u>

### 17 Provisions for liabilities

	Notes	2019	2018
		£	£
Retirement benefit obligations	18	129,716	141,962
		<u>129,716</u>	<u>141,962</u>
		<u>129,716</u>	<u>141,962</u>

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 16 December 2018.

# THE SOUTHERN COUNTIES BAPTIST ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2019

#### 18 Retirement benefit schemes

##### Defined contribution schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £13,461 (2018 - £17,671).

##### Defined benefit schemes

The Association is an employer participating in the Baptist Pension Scheme ("the BPS") and prior to the current year-end was also participating in the Baptist Union Staff Pension Scheme ("the BUSPS"). The BPS is a separate legal entity administered by the Pension Trustee (Baptist Pension Trust Limited). The BUSPS has now wound up but was also a separate legal entity administered by the Pension Trustee.

From January 2012, pension provision for the Minister(s) [and some members of staff] has been 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. In addition, the employer pays a further 4% of Pensionable Income (or 3% if the employer is in the segregated DC section) 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 Aviva. 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 prior to its wind-up. 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. The BUSPS completed winding-up on 18 September 2019.

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.

##### Valuation

	BPS DB Plan	BUSPS
Date of valuation	31 December 2016	1 January 2017
Date of next valuation	31 December 2019	n/a Scheme is in wind-up
Market value of scheme assets (A)	£219m	10.3m
Technical provisions (B)	£312m	£16.2m
Deficit [(B) – (A)]	£93m	£5.9m
Funding level [(A) / (B)]	70%	64%

# THE SOUTHERN COUNTIES BAPTIST ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2019

#### 18 Retirement benefit schemes (Continued)

##### *Funding policy*

As a result of the valuations, in addition to the contributions to the DC Plan set out above, the following deficiency contributions were agreed:

- For the BPS, the standard rate of deficiency contributions payable remains at previously agreed levels, increasing each year in line with increases in the Minimum Pensionable Income. The deficiency contributions are broadly based on 12% of Pensionable Income / Minimum Pensionable Income, reflecting each employer's contributions in March 2015. Some employers that were involved in the DB Plan for a short period pay lower contributions. In addition, the Baptist Union of Great Britain contributed a lump sum of £33m in 2018 with a further £0.5m to follow, and changes to Scheme benefits were agreed. The Recovery Plan envisages deficiency contributions continuing until 31 December 2028.
- For the BUSPS, previously agreed contributions of £759,000 pa (payable from 1 January 2016 and increasing each January in line with RPI inflation) were due until 31 January 2018. Following this, a lump sum payment of £2,734,062 was paid in February 2018 and further contributions were made to ensure the Scheme had sufficient assets to secure the BUSPS benefits in full with an insurer. The total contributions were split between the sponsoring employers in line with their estimated share of the BUSPS's liabilities. These significant contributions were part of a plan to wind up the BUSPS. The Scheme formally triggered wind-up on 31 August 2018, and wind-up was completed in September 2019. As part of this, the benefits for BUSPS members who are also active members of the BPS were increased to offset the fact that their BUSPS benefits will no longer increase in future in line with changes in their salary. An additional contribution was also been made to the DC Plan within the BPS for members who are yet to retire and have a BPS DC fund. In practice the Association paid money to BUGB in 2018 which was intended to cover all of the Association's outstanding commitments to the BUSPS, and a portion of this money (to the extent it was not required to secure the benefits in full and cover outstanding costs) was returned to the Association by BUGB in 2019.

##### Amounts recognised in the income statement:

	2019	2018
	£	£
Net interest on defined benefit liability/(asset)	3,243	5,375

The amounts included in the statement of financial position arising from the charity's obligations in respect of defined benefit plans are as follows:

	2019	2018
	£	£
Present value of defined benefit obligations	129,716	141,962
Total liability recognised	129,716	141,962

# THE SOUTHERN COUNTIES BAPTIST ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2019

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#### 18 Retirement benefit schemes (Continued)

Movements in the present value of defined benefit obligations:

	2019 £
Liabilities at 1 January 2019	141,962
Plan introductions, changes, curtailments and settlements	(1,739)
Contributions from scheme members	(13,750)
Interest cost	3,243
	<hr/>
At 31 December 2019	129,716
	<hr/> <hr/>

This liability represents the present value of deficit contributions agreed at the balance sheet date and has been valued using the following assumptions set by reference to the duration of the deficit recovery payments:

	2019 %	2018 %
Discount rate	2.4	2.4
Future increases to Minimum Pensionable Income	3.3	3.3
	<hr/>	<hr/>

# THE SOUTHERN COUNTIES BAPTIST ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2019

#### 19 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 January 2018		Movement in funds			Movement in funds			Balance at 31 December 2019	
	£	£	Incoming resources	Resources expended	Revaluations, gains and losses	Balance at 1 January 2019	Incoming resources	Resources expended	Transfers	£
Alden Memorial (Loans Repairs/Extensions)	40,308	183		-	-	40,491	283	-	-	40,774
De La Mare	20,688	231		-	8	20,927	384	-	-	21,311
Confidential Fund	3,114	300		(950)	-	2,464	590	(750)	-	2,304
Fairford Trust (Education Grants)	36,122	341		(1,350)	(182)	34,931	615	(750)	-	34,796
Church of the Year	2,365	2,570		-	-	4,935	4,668	(5,435)	-	4,168
DFES Funds for Youth Work	1,014	-		-	-	1,014	-	-	-	1,014
Rural Ministry	2,937	30,000		(29,250)	-	3,687	27,500	(35,500)	4,313	-
	106,548	33,625		(31,550)	(174)	108,449	34,040	(42,435)	4,313	104,367

**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).

# THE SOUTHERN COUNTIES BAPTIST ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2019

#### 20 General and Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 1 January 2018		Movement in funds		Balance at 1 January 2019		Movement in funds		Balance at 31 December 2019	
	£	£	Incoming resources	Resources expended	Transfers	Revaluations, gains and losses	Incoming resources	Resources expended	Transfers	Revaluations, gains and losses
<b>General Funds</b>										
General Fund	911,345	513,478	513,478	(475,117)	(14,123)	114,901	337,228	(432,753)	(31,567)	1,739
Investment in Baptist Insurance Company	12,020	-	-	-	-	-	12,020	-	-	-
Loan Funds (excluding Alden Memorial)	556,980	5,610	5,610	-	-	-	97	-	27,254	-
	<u>1,480,345</u>	<u>519,088</u>	<u>519,088</u>	<u>(475,117)</u>	<u>(14,123)</u>	<u>114,901</u>	<u>337,325</u>	<u>(432,753)</u>	<u>(4,313)</u>	<u>1,739</u>
<b>Designated Funds</b>										
Education & Sabbatical Grants	7,021	-	-	(2,309)	-	-	4,712	(2,245)	-	-
Abraham Trust (Confidential)	9,063	75	75	-	-	(94)	97	-	-	-
Pension Fund Debt Reserve	83,894	-	-	-	14,123	-	-	(26,101)	-	-
Pioneer Mission Fund	152,855	861	861	(40,877)	-	-	-	(43,659)	-	-
	<u>252,833</u>	<u>936</u>	<u>936</u>	<u>(43,186)</u>	<u>14,123</u>	<u>(94)</u>	<u>97</u>	<u>(72,005)</u>	<u>-</u>	<u>-</u>
<b>Total</b>	<u><u>1,733,178</u></u>	<u><u>520,024</u></u>	<u><u>520,024</u></u>	<u><u>(518,303)</u></u>	<u><u>-</u></u>	<u><u>114,807</u></u>	<u><u>337,422</u></u>	<u><u>(504,758)</u></u>	<u><u>(4,313)</u></u>	<u><u>1,739</u></u>
										<u><u>1,679,796</u></u>



# THE SOUTHERN COUNTIES BAPTIST ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2019

#### 20 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.

**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.

#### 21 Analysis of net assets between funds

Fund balances are represented by:

	Unrestricted funds	Designated funds	Restricted funds	Total	Unrestricted funds	Designated funds	Restricted funds	Total
	2019	2019	2019	2019	2018	2018	2018	2018
	£	£	£	£	£	£	£	£
Property, plant and equipment	449,241	-	-	449,241	451,751	-	-	451,751
Investments	12,020	-	-	12,020	12,020	-	-	12,020
Current assets/(liabilities)	1,195,010	152,704	104,904	1,452,618	1,303,285	224,612	108,449	1,636,346
Provisions and pensions	(129,716)	-	-	(129,716)	(141,962)	-	-	(141,962)
	<u>1,526,555</u>	<u>152,704</u>	<u>104,904</u>	<u>1,784,163</u>	<u>1,625,094</u>	<u>224,612</u>	<u>108,449</u>	<u>1,958,155</u>

# THE SOUTHERN COUNTIES BAPTIST ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

*FOR THE YEAR ENDED 31 DECEMBER 2019*

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### **22 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 the 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 with the SCBA area was 2019: £394,057 (2018: £402,715).

### **23 Related party transactions**

There were no disclosable related party transactions during the year (2018 - none).