

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 2020



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southern counties baptist association

THE SOUTHERN COUNTIES BAPTIST ASSOCIATION

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees:	Rev'd Anne Carter Rev'd Nigel Cox Mr Andrew Johnson Mrs Ann Andrews Rev'd Stephen Barber Mr John Bragg Mr Peter Brookes Rev'd Anthony Clarke Rev'd Simon Ford Rev'd Martin Hardwidge Rev'd Dr Colin Norris	Moderator of the trustees Association Treasurer (until November 2020) Association Treasurer (from November 2020) (Appointed 9 November 2020) (Appointed 9 November 2020) Regent's Park College Representative Regional Ministry Team Leader
Regional Ministry Team:	Rev'd Dr Colin Norris Rev'd Clare Hooper Rev'd Jonathan Hunt Rev'd David Llewellyn	Regional Ministry Team Leader Children, Youth & Families Missional Developer Regional Minister Regional Minister
Staff Team:	Mrs Amy Allen Mrs Joy Cheang Ms Andrea King Miss Alysén Merrill	Administration Manager Safeguarding Adviser (from December 2020) Safeguarding Officer (until September 2020) Administration Support
Charity number	1091066	
Company number	04279837	
Registered office and operational address	Baptist House 129 Broadway Didcot Oxfordshire OX11 8XD	
Independent examiner	Colin Dadswell FCA ACCA DChA Caladine Limited Chantry House 22 Upperton Road Eastbourne East Sussex BN21 1BF	
Bankers	HSBC Bank plc 186 Broadway Didcot OX11 8RP	

THE SOUTHERN COUNTIES BAPTIST ASSOCIATION

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THE SOUTHERN COUNTIES BAPTIST ASSOCIATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2020

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 2020 to 31 December 2020, 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.

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 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 2020

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 inspire, connect and resource 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.
- Identifying, partnering with and resourcing pioneer mission initiatives

The Association's volunteers have roles either as trustees on the Steering and Strategy Group; or as 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.

Achievements and performance

The Association is made up of **154** member churches of the Association, mainly located in Berkshire, Dorset, Gloucestershire, Guernsey, 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 SOUTHERN COUNTIES BAPTIST ASSOCIATION

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

FOR THE YEAR ENDED 31 DECEMBER 2020

This year has been very different due to the Covid-19 pandemic. The Regional Ministry Team and staff began working from home on 16th March and the first nationwide lockdown started on 23rd March. This has also meant that meetings and association days were held online.

The SCBA participates in the Footsteps course run by Regent's Park College, Oxford University. The course was led by Revd Jane Day, Tutor in Community Learning, who came to the post on 1st July 2020. The College offers year-long courses to between 20 and 30 students, meeting once a month on Saturdays. As with many things in 2020, the 2019-20 course was put on hold when the first lockdown began but the year was completed during the Autumn term instead.

The testing of the call to ministry is carried out by a Ministerial Recognition Group formed as part of the South West Partnership and usually 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. Four ministers became Fully Accredited Ministers and were recognised at the Baptist Assembly, with fifteen Newly Accredited Ministers gathering together for two reflection sessions in February and online in 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. This contact with the churches and ministers has been especially important in 2020 as the Regional Ministers supported them through their churches being closed during lockdown and needing to find different ways of 'doing church'. Since the first lockdown in March 2020, the Regional Ministry Team have recorded a weekly video reflection which is sent out along with relevant Covid information in an email to all SCBA contacts.

Safeguarding training is usually 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. Unfortunately face-to-face Safeguarding Training was halted in March 2020 because of the Covid restrictions. However, BUGB Online Safeguarding Training was produced and offered to our Association churches and communities from December 2020. In February 108 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.

Due to pressures in her other role with the NHS, Andrea King left her position as Safeguarding Officer in September 2020. After a review of the role, Joy Cheang took up the role of Safeguarding Adviser in December 2020.

In the period 1st January 2020 to 31st December 2020, SCBA received a total of 158 safeguarding contacts for advice. The continuing high numbers 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.

Various events, training and meetings were held throughout the year, both in person and online. 124 Ministers & Leaders attended our three-day conference held in February, at a hotel in Cheltenham, led by Revd Glen Marshall, Co-Principal at Northern Baptist College. The conference also included additional sessions for 27 Chaplains/Sector Ministers and 12 Children, Youth and Families Workers, both exploring their roles in their communities.

As already mentioned, as an Association we had to find a way of hosting our meetings and association days online during the Covid restrictions. 92 Ministers and Leaders attended a Leaders' Morning in June via Zoom, led by Rachel Gardner, Director of Partnerships at Youthscape, speaking on "Developing Young Leaders". The SCBA Annual General Meeting and Leaders' Day was held over one morning on Zoom in November, attended by 71 members, with Revd Alex Harris, Minister of the Beacon Church, and part of the team at Firestarters. The children, youth and families workers continued to meet in the north and the south of the Association, and then, because of lockdown and the availability of Zoom, they met all together in October. Also in October, twenty-three women leaders met online to discuss, "How might SCBA be intentional in encouraging and supporting women in leadership?" led By Revd Clare Hooper and Revd Jane Day.

THE SOUTHERN COUNTIES BAPTIST ASSOCIATION

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

FOR THE YEAR ENDED 31 DECEMBER 2020

The Mentoring Network has continued in the Association for those ministers interested in or currently mentoring in our Association and over 15 mentors attended an online mentoring workshop in October run by Revd Dr Colin Norris and Revd Jonathan Hunt.

In response to the Covid Pandemic and Restrictions, two additional online events were held for the SCBA ministers and leaders. In June, forty-four people gathered via Zoom for two hours for an SCBA Time of Reflection on what has been emerging from this period of Covid-19 lockdown. In August, 'Moving Forward After Lockdown' was a follow-up gathering of fifty people that sought to take the conversation further in the light of areas that were highlighted in the previous conversation in June.

The Association made a difference to its beneficiaries in terms of support, advice and training when requested or offered. Also, the Home Mission Group and the Staff, Finance & Administration Group vetted and advised on the applications for Home Mission grants from 9 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.

We currently have 13 pioneer mission initiatives. Two of these have SCBA employed pioneers (Ben & Ez Lucas at Charlton Down and John Good at Hamworthy). Additional to this we are now supporting the work of Katie Crothers (a newly accredited non-stipended pioneer minister) at Lark Hill by paying her expenses. 5 other pioneering initiatives currently receive Home Mission support.

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 continued employment of the Safeguarding Officer role and then the Safeguarding Adviser role has also been an extremely positive factor, taking some of the pressure and work from the Regional Ministry Team. The working groups continue to evolve so that the varied aspects of the Association's work are covered. The working groups are currently: Staff Finance and Administration; Children, Youth and Families; Safeguarding; Leadership and Ministerial Development; Mission Development; Home Mission; Pioneering; Communications and Justice. The Communications group has continued to work to promote activities and events in the Association, along with work on a new website which will be launched in 2021.

Even with a larger Regional Ministry Team, it is still a challenge to support 154 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 2020, 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.

THE SOUTHERN COUNTIES BAPTIST ASSOCIATION

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

FOR THE YEAR ENDED 31 DECEMBER 2020

A grant from the money raised for Baptist Home Mission in 2019 was given to the Association to cover staff salaries and administrative costs in 2020, 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 2020 the overall funds of the Association decreased by £72,047 (2019: a decrease of £173,992).

The Association had Unrestricted General Funds of £1,581,801 at the period end and £2,267 restricted funds. The Association's general fund totalled £933,566 at the end of 2020. Funds of £636,215 are held as loan funds for interest free loans to churches, of which £179,000 was on loan. In addition there were designated funds amounting to £128,048.

Reserves policy and going concern

The Association maintains reserves of £360,000 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.

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.

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 2020 SCBA did not charge attendees for the online Leaders' Days but there was still a cost to the Association for the speaker fees. The safeguarding training is largely covered by the charge of those attending. Association support, events and training also incur the costs of the Regional Ministry Team time and mileage, though the mileage costs were largely reduced when the team began working from home due to the Covid restrictions.

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 continue to meet 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 have 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.

THE SOUTHERN COUNTIES BAPTIST ASSOCIATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

Plans for future periods

During 2021, 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.

Though it is difficult to plan for the coming year, because of the uncertainty in the Covid restrictions, the Regional Ministry Team plan to keep the regular activities in place, but these may be online. These activities include: the continuation of Safeguarding Training (either online or later in the year in person) available to all churches and communities; supporting the member churches, both pastorally through the Regional Ministry Team, and, for some, 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.

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 154 churches within the Association, who have the right to appoint two representatives to attend and vote at the 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
- Six trustees appointed by the members of the Association (two further trustees were appointed by vote at the AGM in November 2020)

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:

Rev'd Anne Carter

Rev'd Nigel Cox

Mr Andrew Johnson

Mrs Anne Andrews

Rev'd Stephen Barber

(Appointed 9 November 2020)

Mr John Bragg

Mr Peter Brookes

(Appointed 9 November 2020)

Rev'd Anthony Clarke

Mrs Melvina Fawcett

(Resigned 9 November 2020)

Rev'd Simon Ford

Rev'd Martin Hardwidge

Rev'd Dr Colin Norris

Mrs Anne Lane

(Resigned 9 November 2020)

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 SOUTHERN COUNTIES BAPTIST ASSOCIATION

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

FOR THE YEAR ENDED 31 DECEMBER 2020

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 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.

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



.....
Rev'd Anne Carter

Trustee

Dated: 14/7/21



.....
Mr Andrew Johnson

Trustee

Dated: 14 July 2021

THE SOUTHERN COUNTIES BAPTIST ASSOCIATION

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2020

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 SOUTHERN COUNTIES BAPTIST ASSOCIATION

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF THE SOUTHERN COUNTIES BAPTIST ASSOCIATION

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 2020.

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: 20/06/2021

THE SOUTHERN COUNTIES BAPTIST ASSOCIATION

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2020

Current financial year

	Notes	Unrestricted funds general 2020 £	Unrestricted funds designated 2020 £	Restricted funds 2020 £	Total 2020 £	Total 2019 £
<u>Income from:</u>						
Donations and legacies	3	5,500	30,000	2,078	37,578	33,258
Charitable activities	4	311,410	-	-	311,410	324,513
Investments	5	16,490	-	-	16,490	13,691
Total income		333,400	30,000	2,078	365,478	371,462
<u>Expenditure on:</u>						
Charitable activities	6	393,119	77,846	5,418	476,383	547,193
Net outgoing resources before transfers		(59,719)	(47,846)	(3,340)	(110,905)	(175,731)
Gross transfers between funds	17	75,570	23,190	(98,760)	-	-
Net income/(expenditure) for the year/ Net incoming/(outgoing) resources		15,851	(24,656)	(102,100)	(110,905)	(175,731)
Other recognised gains and losses						
Actuarial gain on defined benefit pension schemes		38,858	-	-	38,858	1,739
Net movement in funds		54,709	(24,656)	(102,100)	(72,047)	(173,992)
Fund balances at 1 January 2020		1,527,092	152,704	104,367	1,784,163	1,958,155
Fund balances at 31 December 2020		1,581,801	128,048	2,267	1,712,116	1,784,163

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 2020

Prior financial year

	Notes	Unrestricted funds general 2019 £	Unrestricted funds designated 2019 £	Restricted funds 2019 £	Total 2019 £
<u>Income from:</u>					
Donations and legacies	3	500	-	32,758	33,258
Charitable activities	4	324,513	-	-	324,513
Investments	5	12,312	97	1,282	13,691
Total income		337,325	97	34,040	371,462
<u>Expenditure on:</u>					
Charitable activities	6	432,753	72,005	42,435	547,193
Net outgoing resources before transfers		(95,428)	(71,908)	(8,395)	(175,731)
Gross transfers between funds	17	(4,313)	-	4,313	-
Net income/(expenditure) for the year/ Net incoming/(outgoing) resources		(99,741)	(71,908)	(4,082)	(175,731)
Other recognised gains and losses					
Actuarial gain on defined benefit pension schemes		1,739	-	-	1,739
Net movement in funds		(98,002)	(71,908)	(4,082)	(173,992)
Fund balances at 1 January 2019		1,625,094	224,612	108,449	1,958,155
Fund balances at 31 December 2019		1,527,092	152,704	104,367	1,784,163

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 2020

	Notes	2020		2019	
		£	£	£	£
Fixed assets					
Property, plant and equipment	11		446,731		449,241
Investments	12		12,020		12,020
			458,751		461,261
Current assets					
Debtors falling due after one year	13	150,500		187,000	
Debtors falling due within one year	13	33,253		38,180	
Cash at bank and in hand		1,164,812		1,280,183	
		1,348,565		1,505,363	
Current liabilities	14	(11,895)		(52,745)	
Net current assets			1,336,670		1,452,618
Total assets less current liabilities			1,795,421		1,913,879
Provisions for liabilities			(83,305)		(129,716)
Net assets			1,712,116		1,784,163
Income funds					
Restricted funds	17		2,267		104,367
Unrestricted funds					
Designated funds	18	128,048		152,704	
General unrestricted funds		1,581,801		1,527,092	
			1,709,849		1,679,796
			1,712,116		1,784,163

THE SOUTHERN COUNTIES BAPTIST ASSOCIATION

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 31 DECEMBER 2020


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 2020.

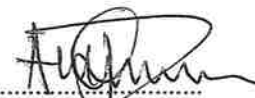
The directors acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its 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


.....
Rev'd Anne Carter
Trustee
Dated: 14/7/21


.....
Mr Andrew Johnson
Trustee
Dated: 14 July 2021

Company Registration No. 04279837

THE SOUTHERN COUNTIES BAPTIST ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

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) (effective 1 January 2019)". 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 2020

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 2020

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 2020

1 Accounting policies (Continued)

1.13 Retirement benefits

Multi Employer Pension Plan

The Association is an employer participating in a pension scheme known as the Baptist Pension Scheme ("the Scheme"), which is administered by the Pension Trustee (Baptist Pension Trust Limited). The Scheme is a separate legal entity and the assets of the Scheme are held separately from those of the Employer and the other participating employers.

For any month, each participating employer in the Scheme pays contributions as set out in the Schedule of Contributions in force at that time.

The Scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This is because it is not possible to attribute the Scheme's assets and liabilities to specific employers and means that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are contributions payable towards benefits and expenses accrued in that year, plus any impact of deficiency contributions.

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 16 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.

THE SOUTHERN COUNTIES BAPTIST ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

2 Judgements and key sources of estimation uncertainty (Continued)

- 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.

3 Donations and legacies

	Unrestricted funds general 2020 £	Unrestricted funds designated 2020 £	Restricted funds 2020 £	Total 2020 £	Total 2019 £
Donations and gifts	5,500	30,000	2,078	37,578	33,258
Donations and gifts					
Church of the Year gifts	-	-	1,753	1,753	4,668
Confidential Fund donations	-	-	325	325	590
Rural Ministry Grant	-	30,000	-	30,000	27,500
Loan Termination Gifts (SCBA Loan Fund)	5,500	-	-	5,500	500
	5,500	30,000	2,078	37,578	33,258

For the year ended 31 December 2019

	Unrestricted funds general 2019 £	Unrestricted funds designated 2019 £	Restricted funds 2019 £	Total 2019 £
Donations and gifts	500	-	32,758	33,258
Donations and gifts				
Church of the Year gifts	-	-	4,668	4,668
Confidential Fund donations	-	-	590	590
Rural Ministry Grant	-	-	27,500	27,500
Loan Termination Gifts (SCBA Loan Fund)	500	-	-	500
	500	-	32,758	33,258

THE SOUTHERN COUNTIES BAPTIST ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

4 Charitable activities

	2020 £	2019 £
Preaching and other fees	9,302	6,530
Leaders' Days & SCBA Event fees	2,695	9,526
SCBA Ministers' Conference Fees	22,223	20,113
Baptist Union grant for Operational Activities	276,348	281,794
Other income	842	6,550
	<u>311,410</u>	<u>324,513</u>

5 Investments

	Unrestricted funds general 2020 £	Unrestricted funds general 2019 £	Unrestricted funds designated 2019 £	Restricted funds 2019 £	Total 2019 £
Alden Memorial Fund	-	-	-	283	283
Abraham Trust - Confidential Fund	-	-	97	-	97
Fairford Trust - Educational Assistance	-	-	-	615	615
Loan and General Funds on Deposit with BU	15,889	11,911	-	-	11,911
Baptist Insurance Co Ltd - Dividends	601	401	-	-	401
De La Mare Fund	-	-	-	384	384
	<u>16,490</u>	<u>12,312</u>	<u>97</u>	<u>1,282</u>	<u>13,691</u>

THE SOUTHERN COUNTIES BAPTIST ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

6 Charitable activities

	2020	2019
	£	£
Staff costs	299,358	298,373
Depreciation and impairment	2,510	2,510
Travel and Accommodation	7,776	23,409
Leaders Days and SCBA Event Costs	2,750	10,479
SCBA Ministers Conference	23,411	18,412
Community Learning Tutor	2,000	4,000
Confidential Fund	750	750
CYF Working group	28	1,225
Fairford Trust	-	750
Education & Sabbatical Grants	4,200	2,245
Pioneer Mission Fund Expenses	12,597	14,441
Rural Ministry Fund Expenses	-	5,697
Pension deficit settlement	-	26,101
	<u>355,380</u>	<u>408,392</u>
Grant funding of activities (see note 7)	91,788	104,437
Share of support costs (see note 8)	21,008	24,772
Share of governance costs (see note 8)	8,207	9,592
	<u>476,383</u>	<u>547,193</u>
Analysis by fund		
Unrestricted funds - general	393,119	432,753
Unrestricted funds - designated	77,846	72,005
Restricted funds	5,418	42,435
	<u>476,383</u>	<u>547,193</u>

THE SOUTHERN COUNTIES BAPTIST ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

7 Grants payable

	2020 £	2019 £
Grants to institutions:		
Home Mission Grant	84,420	94,352
Churches Together Grants	2,700	2,700
Church of the year	4,668	-
Other	-	5,435
	<u>91,788</u>	<u>102,487</u>
Grants to individuals	-	1,950
	<u>91,788</u>	<u>104,437</u>

8 Support costs

	Support costs £	Governance costs £	Total 2020 £	Support costs £	Governance costs £	Total 2019 £
Office Expenses and IT	1,711	-	1,711	2,767	-	2,767
Telephone	2,184	-	2,184	2,198	-	2,198
Volunteer Exp. and Fees	1,030	-	1,030	2,929	-	2,929
Staff Book & Study Allowance	688	-	688	43	-	43
Insurance	3,936	-	3,936	2,697	-	2,697
Building Hire	3,500	-	3,500	3,500	-	3,500
Baptist Union Subs	826	-	826	853	-	853
Interest on pension deficit	2,987	-	2,987	3,243	-	3,243
Other expenditure	4,146	-	4,146	6,542	-	6,542
Legal and professional	-	1,293	1,293	-	4,638	4,638
Accountancy & IE	-	4,200	4,200	-	3,840	3,840
Bank Charges	-	579	579	-	-	-
Software and other subscriptions	-	992	992	-	-	-
Payroll Fees	-	1,143	1,143	-	1,114	1,114
	<u>21,008</u>	<u>8,207</u>	<u>29,215</u>	<u>24,772</u>	<u>9,592</u>	<u>34,364</u>
<u>Analysed between</u>						
Charitable activities	<u>21,008</u>	<u>8,207</u>	<u>29,215</u>	<u>24,772</u>	<u>9,592</u>	<u>34,364</u>

THE SOUTHERN COUNTIES BAPTIST ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

9 Trustees

Trustee Rev'd Dr C Norris was paid a salary of £36,000 (2019: £35,087) and benefitted from employer pension contributions totalling £4,527 (2019: £5,384) for his work as the Regional Ministry Team Leader. The authority to employ Trustees is contained within the Charity's governing document.

During the year, 6 Trustees were reimbursed a total of £996 for travel and other expenses.

10 Employees

Number of employees

The average monthly number of employees during the year was:

	2020	2019
	Number	Number
Full time Regional Ministers	3	3
Part time Regional Ministers	1	2
Part time Administrator	1	1
Part time Support Staff (Admin Assistants)	2	2
Dorset Missional Listener	2	1
Pioneer Missioner	1	1
	<u>10</u>	<u>10</u>

Employment costs

	2020	2019
	£	£
Wages and salaries	217,340	216,561
Social security costs	14,941	16,968
Other pension costs	19,342	19,326
Housing costs	47,735	45,518
	<u>299,358</u>	<u>298,373</u>

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

THE SOUTHERN COUNTIES BAPTIST ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

11 Property, plant and equipment

	Freehold land and buildings £
Cost	
At 1 January 2020	451,751
At 31 December 2020	<u>451,751</u>
Depreciation and impairment	
At 1 January 2020	2,510
Depreciation charged in the year	2,510
At 31 December 2020	<u>5,020</u>
Carrying amount	
At 31 December 2020	<u>446,731</u>
At 31 December 2019	<u>449,241</u>

12 Fixed asset investments

	Baptist Insurance Co PLC £
Cost or valuation	
At 1 January 2020 & 31 December 2020	<u>12,020</u>
Carrying amount	
At 31 December 2020	<u>12,020</u>
At 31 December 2019	<u>12,020</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. 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 2020

13 Trade and other receivables

	2020	2019
	£	£
Amounts falling due within one year:		
Loans to churches	28,500	33,000
Prepayments and accrued income	4,753	5,180
	<u>33,253</u>	<u>38,180</u>
	<u><u>33,253</u></u>	<u><u>38,180</u></u>
Amounts falling due after more than one year:		
Loans to churches	150,500	187,000
	<u>150,500</u>	<u>187,000</u>
	<u><u>150,500</u></u>	<u><u>187,000</u></u>
Total debtors	183,753	225,180
	<u>183,753</u>	<u>225,180</u>
	<u><u>183,753</u></u>	<u><u>225,180</u></u>

£25,000 of new loans to Churches were advanced during the year (2019: £nil) and £66,000 was received in repayments (2019: £35,450)

14 Current liabilities

	2020	2019
	£	£
Other taxation and social security	-	202
Prepaid income	-	5,530
Other payables	7,695	43,173
Accruals and deferred income	4,200	3,840
	<u>11,895</u>	<u>52,745</u>
	<u><u>11,895</u></u>	<u><u>52,745</u></u>

15 Provisions for liabilities

	Notes	2020	2019
		£	£
Retirement benefit obligations	16	83,305	129,716
		<u>83,305</u>	<u>129,716</u>
		<u><u>83,305</u></u>	<u><u>129,716</u></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 2020

16 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 £19,342 (2019 - £19,326).

Defined benefit schemes

The Association is an employer participating in a pension scheme known as the Baptist Pension Scheme ("the Scheme"), which is administered by the Pension Trustee (Baptist Pension Trust Limited). The Scheme is a separate legal entity and the assets of the Scheme are held separately from those of the Employer and the other participating employers.

For any month, each participating employer in the Scheme pays contributions as set out in the Schedule of Contributions in force at that time.

The Scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This is because it is not possible to attribute the Scheme's assets and liabilities to specific employers and means that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are contributions payable towards benefits and expenses accrued in that year, plus any impact of deficiency contributions (see below).

From January 2012, pension provision is being made through the Defined Contribution (DC) Plan within the Scheme. In general, members pay 8% of their Pensionable Income and employers pay 6% of members' Pensionable Income into individual pension accounts, which are operated and managed on behalf of the Pension Trustee by Legal and General Life Assurance Society Limited. In addition, the employer pays a further 4% of Pensionable Income to cover Death in Service Benefits, administration costs, and an associated insurance policy which provides income protection for 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 Aviva plc. Members of the Basic Section pay reduced contributions of 5% of Pensionable Income, and their employers also pay a total of 5%. The further 4% contribution rate is reduced to 3% for Employer contributions made to the Segregated DC Arrangement.

Benefits in respect of service prior to 1 January 2012 are provided through the Defined Benefit (DB) Plan within the Scheme. The main benefits for pre-2012 service were 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. The Scheme, previously known as the Baptist Ministers' Pension Fund, started in 1925, but was closed to future accrual of defined benefits on 31 December 2011.

Valuation

A formal valuation of the Defined Benefit (DB) Plan was performed at 31 December 2019 by a professionally qualified Actuary using the Projected Unit Method. The market value of the DB Plan assets at the valuation date was £298 million.

The valuation of the DB Plan revealed a deficit of assets compared with the value of liabilities of £18 million (equivalent to a past service funding level of 94%). The Association and the other employers supporting the DB Plan are collectively responsible for funding this deficit.

THE SOUTHERN COUNTIES BAPTIST ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

16 Retirement benefit schemes (Continued)

Key assumptions

	2020	2019
	%	%
Discount rate	0.4	2.4
Future increases to Minimum Pensionable Income	3.0	3.3

The key financial assumptions underlying the valuations were as follows:

Type of assumption	% pa
RPI price inflation assumption	3.20
CPI price inflation assumption	2.70
Minimum Pensionable Income increases (RPI)	3.20
Assumed investment returns	
- Pre-retirement	2.95
- Post retirement	1.70
Deferred pension increases	
- Pre April 2009	3.20
- Post April 2009	2.50
Pension increases	
- Main Scheme pension	2.70

Post-retirement mortality in accordance with 80% of the S3NFA and S3NMA tables, with allowance for future improvements in mortality rates from 2013 in line with the CMI 2019 core projections, with a long term annual rate of improvement of 1.75% for males and 1.5% for females, with the core smoothing parameter and with additional initial mortality improvement factor A=0.5%.

The next actuarial valuation of the DB Plan within the Scheme is due to take place not later than as at 31 December 2022.

Recovery Plan

In addition to the contributions to the DC Plan set out above, where a valuation of the DB Plan reveals a deficit the Trustee and the Council agree to a rate of deficiency contributions from churches and other employers involved in the DB Plan.

Under the current Recovery Plan dated 30 September 2020, deficiency contributions are payable until 30 June 2026. These contributions are broadly based on the employer's membership at 31 December 2014 and increase annually in line with increases to Minimum Pensionable Income as defined in the Rules. However, the Trustee and the Council agreed a 50% reduction for all deficiency contributions payable between 1 July 2020 and 31 December 2020.

THE SOUTHERN COUNTIES BAPTIST ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

16 Retirement benefit schemes (Continued)

Amounts recognised in the income statement:

	2020 £	2019 £
Net interest on defined benefit liability/(asset)	2,987	3,243

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

	2020 £	2019 £
Present value of defined benefit obligations	83,305	129,716
Deficit in scheme	83,305	129,716

Movements in the present value of defined benefit obligations:

	2020 £
Liabilities at 1 January 2020	129,716
Plan introductions, changes, curtailments and settlements	(38,858)
Contributions from scheme members	(10,540)
Interest cost	2,987
At 31 December 2020	83,305

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:

THE SOUTHERN COUNTIES BAPTIST ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

17 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:

	Movement in funds				Balance at 31 December 2020
	Balance at 1 January 2020	Incoming resources	Resources expended	Transfers	
	£	£	£	£	£
Alden Memorial (Loans Repairs/ Extensions)	40,774	-	-	(40,774)	-
De La Mare	21,311	-	-	(21,311)	-
Confidential Fund	2,304	325	(750)	(1,879)	-
Fairford Trust (Education Grants)	34,796	-	-	(34,796)	-
Church of the Year	4,168	1,753	(4,668)	-	1,253
DFES Funds for Youth Work	1,014	-	-	-	1,014
	<u>104,367</u>	<u>2,078</u>	<u>(5,418)</u>	<u>(98,760)</u>	<u>2,267</u>

Movements for the year ended 31 December 2019

	Movement in funds				Balance at 31 December 2019
	Balance at 1 January 2019	Incoming resources	Resources expended	Transfers	
	£	£	£	£	£
Alden Memorial (Loans Repairs/ Extensions)	40,491	283	-	-	40,774
De La Mare	20,927	384	-	-	21,311
Confidential Fund	2,464	590	(750)	-	2,304
Fairford Trust (Education Grants)	34,931	615	(750)	-	34,796
Church of the Year	4,935	4,668	(5,435)	-	4,168
DFES Funds for Youth Work	1,014	-	-	-	1,014
Rural Ministry	3,687	27,500	(35,500)	4,313	-
	<u>108,449</u>	<u>34,040</u>	<u>(42,435)</u>	<u>4,313</u>	<u>104,367</u>

During the year the Trustees undertook a thorough review of the background to all of the funds historically classified as restricted and, based on the outcome of that review, some funds have been reclassified:

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). Following the review, it was concluded that the remaining balance on this fund should be amalgamated with the SCBA Loan Fund which serves the purposes set out by the original donor. A transfer has duly been made to reflect this.

THE SOUTHERN COUNTIES BAPTIST ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

17 Restricted funds (Continued)

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. Following the review, it was concluded that the remaining balance on this fund should be amalgamated with the Education and Sabbatical Fund which will be extended to include other staff/trustee training and supervision expenditure to ensure the funds continue to serve the purposes set out by the original donor. A transfer has duly been made to reflect this.

Fairford Trust - following the review it was concluded that these funds were given for the whole mission of SCBA and should not be disclosed as restricted. A transfer has duly been made to reflect this.

Confidential Fund (Abraham Trust) is to be used to support those in need in churches which were part of the former OEGBA. As these funds serve the same purpose as the designated 'Confidential Fund' the remaining balance has been transferred to that fund.

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 2020

18 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:

	Movement in funds					Movement in funds					
	Balance at 1 January 2019	Incoming resources	Resources expended	Transfers	Revaluations, gains and losses	Balance at 1 January 2020	Incoming resources	Resources expended	Transfers	Revaluations, gains and losses	Balance at 31 December 2020
	£	£	£	£	£	£	£	£	£	£	£
General Funds											
General Fund	1,050,484	337,228	(432,753)	(31,567)	1,739	925,131	327,900	(393,119)	34,796	38,858	933,566
Investment in Baptist Insurance Company	12,020	-	-	-	-	12,020	-	-	-	-	12,020
Loan Funds (including Alden Memorial)	562,590	97	-	27,254	-	589,941	5,500	-	40,774	-	636,215
	<u>1,625,094</u>	<u>337,325</u>	<u>(432,753)</u>	<u>(4,313)</u>	<u>1,739</u>	<u>1,527,092</u>	<u>333,400</u>	<u>(393,119)</u>	<u>75,570</u>	<u>38,858</u>	<u>1,581,801</u>
Designated Funds											
Education & Sabbatical Grants	4,712	-	(2,245)	-	-	2,467	-	(4,200)	21,311	-	19,578
Abraham Trust (Confidential)	9,044	97	-	-	-	9,141	-	-	1,879	-	11,020
Pension Fund Debt Reserve	98,017	-	(26,101)	-	-	71,916	-	-	-	-	71,916
Pioneer Mission Fund	112,839	-	(43,659)	-	-	69,180	30,000	(73,646)	-	-	25,534
	<u>224,612</u>	<u>97</u>	<u>(72,005)</u>	<u>-</u>	<u>-</u>	<u>152,704</u>	<u>30,000</u>	<u>(77,846)</u>	<u>23,190</u>	<u>-</u>	<u>128,048</u>
Total	<u><u>1,849,706</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>	<u><u>363,400</u></u>	<u><u>(470,965)</u></u>	<u><u>98,760</u></u>	<u><u>38,858</u></u>	<u><u>1,709,849</u></u>

THE SOUTHERN COUNTIES BAPTIST ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

18 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.

19 Analysis of net assets between funds

	Unrestricted funds 2020 £	Designated funds 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds 2019 £	Designated funds 2019 £	Restricted funds 2019 £	Total 2019 £
Fund balances are represented by:								
Property, plant and equipment	446,731	-	-	446,731	449,241	-	-	449,241
Investments	12,020	-	-	12,020	12,020	-	-	12,020
Current assets/(liabilities)	1,206,355	128,048	2,267	1,336,670	1,195,010	152,704	104,904	1,452,618
Provisions and pensions	(83,305)	-	-	(83,305)	(129,716)	-	-	(129,716)
	<u>1,581,801</u>	<u>128,048</u>	<u>2,267</u>	<u>1,712,116</u>	<u>1,526,555</u>	<u>152,704</u>	<u>104,904</u>	<u>1,784,163</u>

THE SOUTHERN COUNTIES BAPTIST ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

20 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 within the SCBA area was 2020: £358,249 (2019: £394,057).

21 Related party transactions

There were no disclosable related party transactions during the year (2019 - none).