

Charity registration number 1091066

Company registration number 04279837 (England and Wales)

THE SOUTHERN COUNTIES BAPTIST ASSOCIATION  
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021



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southern counties baptist association

# THE SOUTHERN COUNTIES BAPTIST ASSOCIATION

## LEGAL AND ADMINISTRATIVE INFORMATION

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Trustees:	Rev'd Anne Carter Mr Andrew Johnson Mrs Ann Andrews Rev'd Stephen Barber Mr John Bragg Mr Peter Brookes Rev'd Anthony Clarke Mr Jason Collis Rev'd Nigel Cox Rev'd Simon Ford Rev'd Martin Hardwidge Rev'd Dr Colin Norris Rev'd Judith Wheatley	Moderator of the trustees (Until 8th November 2021) Association Treasurer  (Until 1st October 2021)  Regent's Park College Representative (Appointed 8th November 2021) (Until 8th November 2021)  Regional Ministry Team Leader (Appointed 19th January 2022)
Regional Ministry Team:	Rev'd Dr Colin Norris Rev'd Stephen Barber Rev'd Clare Hooper Rev'd Jonathan Hunt Rev'd David Llewellyn	Regional Ministry Team Leader Interim Regional Minister (from September 2021) Children, Youth & Families Missional Developer Regional Minister Regional Minister (Until July 2021)
Staff Team:	Mrs Amy Allen Mrs Joy Cheang Miss Alysén Merrill	Administration Manager Safeguarding Adviser Administration Support (Until September 2021)
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 2021

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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 2020 to 31 December 2021, 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 2021

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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 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.

Developing mission among children, youth and families through supportive networking events and training.

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 SOUTHERN COUNTIES BAPTIST ASSOCIATION

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

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### Achievements and performance

The Association is made up of 148 member churches of the Association, mainly located in Berkshire, Dorset, 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 the Baptist Union, as well as being involved in conflict resolution when necessary.

This year has continued to be very different due to the Covid-19 pandemic. The Regional Ministry Team and staff continued to work from home until July and meetings and association days at the start of the year were held online. The Association have continued to carry out some meetings, particularly the Strategy Groups, online, even after the end of lockdown, to save on cost of travel expenses and time travelling.

The testing of the call to ministry is carried out by a Ministerial Recognition Group formed as part of the South West Partnership and was carried out online with the four Associations. The Regional Ministers also oversee the development of ministers during their first three years of ministry. Two ministers became Fully Accredited Ministers and will be recognised at the Baptist Assembly in 2022, with twelve Newly Accredited Ministers attending online 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, both online and in-person. This has continued to be a vital part of the Regional Ministers' role during the lockdown and coming out of the lockdown. The Team have remained committed to producing monthly video reflections which have been sent out along with relevant Covid information in an email to all SCBA contacts.

In July 2021, Revd David Llewellyn left his role as Regional Minister to return to pastoral ministry in Wales. While a Strategic Review was being carried out, an Interim Regional Minister, Revd Stephen Barber, was seconded from Orchard Baptist Church on a part-time basis to cover the church support in the north of the Association.

The second half of the year was spent conducting a Strategic Review of the Association, facilitated by Helen Cameron, Research Fellow at the Centre for Baptist Studies at Regent's Park College. Helen spent time in conversation with the SCBA working groups, conducting focus groups of SCBA ministers and leaders, and facilitating questionnaires with the communities in the Association. From her research, Helen produced five strategic priorities: clusters, mission development, pioneering, children, youth and families, and leader development; and two main enabling priorities: reserves policy and people strategy. These priorities will now be used to focus on the work of the Association.

Online Safeguarding Training was made available to the Baptist family through a BUGB Training Video and online discussions for those who had not done the Safeguarding Training before. In-person Safeguarding Training commenced in November 2021. The Safeguarding Training is 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.

In the period 1st January 2021 to 31st December 2021, SCBA received a total of 128 safeguarding enquiries for advice. The continuing high number in contacts is anecdotally related to an increase in safeguarding training provision, rising awareness of good practice in safeguarding, and the impact of societal stress and anxiety associated with the Pandemic and lockdowns. These enquires have been appropriately followed up by SCBA through the work of the Safeguarding Adviser and wider regional team.

Various events, training and meetings were held throughout the year, both online and in person. 90 Ministers and Leaders attended our three-day online conference held in February, led by Revd Beth Powney and Revd Tim Fergusson. The first day of the conference, attended by 115 ministers and leaders, including Newly Accredited Minister and Children, Youth and Families Workers, was led by the 'Transforming Lives for Good' team on Emotional Rollercoaster Training, offering therapeutic responses, approaches and activities to explore emotional health.

126 ministers and leaders attended a morning in June via Zoom led by Ruth Rice from Renew Wellbeing, looking at mental health. In November, SBCA ministers and leaders were able to meet in person for the SCBA Annual General Meeting and Leaders' Day, attended by 100 members, led by Revd Stephen Gaukroger from Clarion Trust International speaking on 'The Post-Covid Church'.

# THE SOUTHERN COUNTIES BAPTIST ASSOCIATION

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

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The children, youth and families workers continued to meet online for training and support. The Mentoring Network continued in the Association for those ministers interested in or currently mentoring in our Association and 20 mentors attended an online mentoring workshop in September.

In response to the continued Covid Pandemic, an additional online event was held for SCBA ministers and leaders. The 'Emmaus Encounter' events were a space to have the opportunity to respond to the question "What Things" (the question Jesus asked the disciples on the road to Emmaus) in the light of the pandemic and to notice the difficulties and challenge, and to encounter Jesus afresh in preparation for the new journey that lays ahead.

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 and 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 support the work of Katie Crothers (a newly accredited non-stipended pioneer minister) at Larkhill by paying her expenses. 5 Other pioneering initiatives currently receive Home Mission support.

The achievements and performance of the Association during the reporting period are mainly enabled through ministers, leaders, members and churches interacting 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 achievements of its objectives. The continued employment of the Safeguarding Adviser has 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 and Communications. The Communications group has continued to work to promote activities and events in the Association, and the new SCBA website was launched in March 2021.

It is still a challenge, particularly with the resignation of David Llewellyn, to support 148 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 Union Home Mission Appeal but such encouragement is limited to drawing attention to the need and benefits during meetings and church visits, on the SCBA website, and in letters from the Association Treasurer to the church treasurers. In 2021, 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. However, the Association does receive gifts for the Confidential Fund, established to relieve the hardship of ministers or spouses. A grant from the money raised for the Baptist Union Home Mission in 2020 was given to the Association to cover staff salaries and administrative costs in 2021, 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

# THE SOUTHERN COUNTIES BAPTIST ASSOCIATION

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

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### Financial review

During 2021 the overall funds of the Association increased by £456,496 (2020: a decrease of £74,033).

The Association had Unrestricted General Funds of £2,004,140 at the period end and £305,306 restricted funds. The Association's general fund totalled £1,355,905 at the end of 2021. Funds of £636,215 are held as loan funds for interest free loans to churches, of which £195,010 was on loan. In addition there were designated funds amounting to £102,694.

### 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 the size of the staff team, the Association will be running a deficit budget for a number of years which is likely to be with in 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 have engaged in the Strategic Review mentioned earlier.

The Association incurred financial costs on the majority of its events. In 2021, SCBA did not charge for any of its online events including the Minister' and Leaders' Conference and the Leaders' Day in June. It did charge those attending the AGM and Leaders' Day in-person in November, but additional costs included the speaker fee and staff mileage are covered by the Association. The Association did not charge for the online safeguarding training but the in-person training event at the end of the year was largely covered by the charge to 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 with the ongoing Covid restrictions until July 2021.

In regard to investment performance, funds not required for immediate purposes were deployed with the Baptist Union Corporation Ltd, which employs investment manager. The Baptist Union Trustees monitor investment performances 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. However, monies from closed church are currently covering the deficit to some extent but cannot be relied on long-term.

The principal funding source to SCBA is a grant allocation from the Baptist Union National Home Mission Appeal part of which is raised from our Association churches, either through SCBA or directly to the Baptist Union. Funds are raised from SCBA and the other 12 Regional Associations in the Union. SCBA receive a proportion of the total amount raised according to an agreed national formula. 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

### Risk management

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 2021

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### Plans for future periods

During 2022, 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.

The Regional Ministry Team will plan to keep the regular activities in place. These activities include: the continuation of Safeguarding Training 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 work on the findings of the 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 (one further trustee was appointed by vote at the AGM in November 2021)

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	(Resigned 8 November 2021)
Mr Andrew Johnson	
Mrs Anne Andrews	
Rev'd Stephen Barber	(Resigned 1 October 2021)
Mr John Bragg	
Mr Peter Brookes	
Rev'd Anthony Clarke	
Mr Jason Collis	(Appointed 8 November 2021)
Rev'd Nigel Cox	(Resigned 8 November 2021)
Rev'd Simon Ford	
Rev'd Martin Hardwidge	
Rev'd Dr Colin Norris	
Rev'd Judith Wheatley	(Appointed 19 January 2022)

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 2021

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The Association board of trustees includes two officers – a moderator and treasurer. The Regional Ministry Team Leader is responsible for the team of three 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 and Administration; Leadership and Ministerial Development; Children, Youth and Families; Safeguarding; Pioneer Mission; Mission Development; Home Mission and Communication. 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 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 meeting 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 is set by the charitable company through the board of trustees and its finance group and is based upon the Baptist Union 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 Network, 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.

.....  
Mr Andrew Johnson  
Trustee  
Dated: .....

.....  
Rev'd Stephen Barber  
Trustee  
Dated:.....

# THE SOUTHERN COUNTIES BAPTIST ASSOCIATION

## STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 DECEMBER 2021

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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

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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 2021.

#### 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 FCA ACCA DChA

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

Dated: .....

# THE SOUTHERN COUNTIES BAPTIST ASSOCIATION

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2021

Current financial year

	Notes	Unrestricted funds general 2021 £	Unrestricted funds designated 2021 £	Restricted funds 2021 £	Total 2021 £	Total 2020 as restated £
<u>Income from:</u>						
Donations and legacies	3	-	180	32,511	32,691	37,578
Charitable activities	4	251,577	-	-	251,577	311,410
Investments	5	8,466	-	-	8,466	16,490
Other income	6	587,738	-	-	587,738	-
<b>Total income</b>		<b>847,781</b>	<b>180</b>	<b>32,511</b>	<b>880,472</b>	<b>365,478</b>
<u>Expenditure on:</u>						
Charitable activities	7	364,894	-	67,291	432,185	478,369
Net incoming/(outgoing) resources before transfers		482,887	180	(34,780)	448,287	(112,891)
Gross transfers between funds	21	(68,757)	(25,534)	94,291	-	-
Net income/(expenditure) for the year/ Net incoming/(outgoing) resources		414,130	(25,354)	59,511	448,287	(112,891)
Other recognised gains and losses						
Actuarial gain on defined benefit pension schemes		8,209	-	-	8,209	38,858
Net movement in funds		422,339	(25,354)	59,511	456,496	(74,033)
Fund balances at 1 January 2021		1,581,801	128,048	245,795	1,955,644	2,029,677
Fund balances at 31 December 2021		2,004,140	102,694	305,306	2,412,140	1,955,644

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 2021

Prior financial year

	Notes	Unrestricted funds general 2020 £	Unrestricted funds designated 2020 £	Restricted funds 2020 £	Total 2020 as restated £
<u>Income from:</u>					
Donations and legacies	3	5,500	30,000	2,078	37,578
Charitable activities	4	311,410	-	-	311,410
Investments	5	16,490	-	-	16,490
Total income		<u>333,400</u>	<u>30,000</u>	<u>2,078</u>	<u>365,478</u>
<u>Expenditure on:</u>					
Charitable activities	7	<u>393,119</u>	<u>77,846</u>	<u>7,404</u>	<u>478,369</u>
Net incoming/(outgoing) resources before transfers		(59,719)	(47,846)	(5,326)	(112,891)
Gross transfers between funds	21	<u>75,570</u>	<u>23,190</u>	<u>(98,760)</u>	<u>-</u>
Net income/(expenditure) for the year/ Net incoming/(outgoing) resources		15,851	(24,656)	(104,086)	(112,891)
Other recognised gains and losses					
Actuarial gain on defined benefit pension schemes		<u>38,858</u>	-	-	<u>38,858</u>
Net movement in funds		54,709	(24,656)	(104,086)	(74,033)
Fund balances at 1 January 2020		<u>1,527,092</u>	<u>152,704</u>	<u>349,881</u>	<u>2,029,677</u>
Fund balances at 31 December 2020		<u><u>1,581,801</u></u>	<u><u>128,048</u></u>	<u><u>245,795</u></u>	<u><u>1,955,644</u></u>

# THE SOUTHERN COUNTIES BAPTIST ASSOCIATION

## STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

	Notes	2021		2020 as restated	
		£	£	£	£
<b>Fixed assets</b>					
Property, plant and equipment	12		795,763		800,259
Investments	13		12,020		12,020
			<u>807,783</u>		<u>812,279</u>
<b>Current assets</b>					
Debtors falling due after one year	14	164,010		150,500	
Debtors falling due within one year	14	34,043		33,253	
Cash at bank and in hand		1,533,678		1,164,812	
		<u>1,731,731</u>		<u>1,348,565</u>	
Current liabilities	16	(16,276)		(71,895)	
Net current assets			<u>1,715,455</u>		<u>1,276,670</u>
Total assets less current liabilities			2,523,238		2,088,949
Non-current liabilities	17		(50,000)		(50,000)
Provisions for liabilities			(61,098)		(83,305)
Net assets			<u>2,412,140</u>		<u>1,955,644</u>
<b>Income funds</b>					
Restricted funds	21		305,306		245,795
<u>Unrestricted funds</u>					
Designated funds	22	102,694		128,048	
General unrestricted funds		2,004,140		1,581,801	
			<u>2,106,834</u>		<u>1,709,849</u>
			<u>2,412,140</u>		<u>1,955,644</u>

# THE SOUTHERN COUNTIES BAPTIST ASSOCIATION

## STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 31 DECEMBER 2021

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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 2021.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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 .....

.....

Mr Andrew Johnson  
Trustee

.....

Rev'd Stephen Barber  
Trustee

Company Registration No. 04279837



# THE SOUTHERN COUNTIES BAPTIST ASSOCIATION

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2021

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	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	27		420,400		(131,861)
Investing activities					
Investment income received		8,466		16,490	
Net cash generated from investing activities			8,466		16,490
Financing activities					
Repayment of borrowings		(60,000)		-	
Net cash used in financing activities			(60,000)		-
Net increase/(decrease) in cash and cash equivalents			368,866		(115,371)
Cash and cash equivalents at beginning of year			1,164,812		1,280,183
Cash and cash equivalents at end of year			1,533,678		1,164,812

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# THE SOUTHERN COUNTIES BAPTIST ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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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) (effective 1 January 2019)". The Charity is a Public Benefit Entity as defined by FRS 102.

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. 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 2021

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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 2021

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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 2021

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#### 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 20 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 2021

### 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 designated 2021 £	Restricted funds 2021 £	Total 2021 £	Total 2020 £
Donations and gifts	180	32,511	32,691	37,578
	<u>180</u>	<u>32,511</u>	<u>32,691</u>	<u>37,578</u>
Donations and gifts				
Church of the Year gifts	-	2,511	2,511	1,753
Confidential Fund donations	180	-	180	325
Rural Ministry Grant	-	30,000	30,000	30,000
Loan Termination Gifts (SCBA Loan Fund)	-	-	-	5,500
	<u>180</u>	<u>32,511</u>	<u>32,691</u>	<u>37,578</u>
	<u>180</u>	<u>32,511</u>	<u>32,691</u>	<u>37,578</u>

### 4 Charitable activities

	2021 £	2020 £
Preaching and other fees	1,301	9,302
Leaders' Days & SCBA Event fees	2,108	2,695
SCBA Ministers' Conference Fees	-	22,223
Baptist Union grant for Operational Activities	244,670	276,348
Other income	3,498	842
	<u>251,577</u>	<u>311,410</u>
	<u>251,577</u>	<u>311,410</u>

# THE SOUTHERN COUNTIES BAPTIST ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

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### 5 Investments

	Unrestricted funds general 2021 £	Unrestricted funds general 2020 £
Loan and General Funds on Deposit with BU	8,065	15,889
Baptist Insurance Co Ltd - Dividends	401	601
	<u>8,466</u>	<u>16,490</u>

### 6 Other income

	Unrestricted funds general 2021 £	Total 2020 £
Closure of Redundant Churches	<u>587,738</u>	<u>-</u>

# THE SOUTHERN COUNTIES BAPTIST ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 7 Charitable activities

	2021 £	2020 £
Staff costs	297,430	299,358
Depreciation and impairment	4,496	4,496
Travel and Accommodation	9,016	7,776
Leaders Days and SCBA Event Costs	1,708	2,750
SCBA Ministers Conference	-	23,411
Community Learning Tutor	4,000	2,000
Confidential Fund	-	750
CYF Working group	79	28
Education & Sabbatical Grants	-	4,200
Pioneer Mission Fund Expenses	1,448	12,597
	<u>318,177</u>	<u>357,366</u>
Grant funding of activities (see note 8)	85,283	91,788
Share of support costs (see note 9)	20,055	21,008
Share of governance costs (see note 9)	8,670	8,207
	<u>432,185</u>	<u>478,369</u>
Analysis by fund		
Unrestricted funds - general	364,894	393,119
Unrestricted funds - designated	-	77,846
Restricted funds	67,291	7,404
	<u>432,185</u>	<u>478,369</u>

### 8 Grants payable

	2021 £	2020 £
Grants to institutions:		
Home Mission Grant	82,583	84,420
Churches Together Grants	2,700	2,700
Church of the year	-	4,668
	<u>85,283</u>	<u>91,788</u>



# THE SOUTHERN COUNTIES BAPTIST ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 9 Support costs

	Support costs	Governance costs	Total Support costs 2021	Governance costs	Total 2020
	£	£	£	£	£
Office Expenses and IT	981	-	981	1,711	1,711
Telephone	2,330	-	2,330	2,184	2,184
Volunteer Exp. and Fees	1,173	-	1,173	1,030	1,030
Staff Book & Study Allowance	1,102	-	1,102	688	688
Insurance	5,952	-	5,952	3,936	3,936
Building Hire	3,500	-	3,500	3,500	3,500
Baptist Union Subs	841	-	841	826	826
Interest on pension deficit	304	-	304	2,987	2,987
Other expenditure	3,872	-	3,872	4,146	4,146
Legal and professional	-	1,957	1,957	-	1,293
Accountancy & IE	-	4,260	4,260	-	4,200
Bank Charges	-	279	279	-	579
Software and other subscriptions	-	1,032	1,032	-	992
Payroll Fees	-	1,142	1,142	-	1,143
	<u>20,055</u>	<u>8,670</u>	<u>28,725</u>	<u>21,008</u>	<u>29,215</u>
	<u><u>20,055</u></u>	<u><u>8,670</u></u>	<u><u>28,725</u></u>	<u><u>21,008</u></u>	<u><u>29,215</u></u>
<u>Analysed between</u>					
Charitable activities	20,055	8,670	28,725	21,008	29,215
	<u><u>20,055</u></u>	<u><u>8,670</u></u>	<u><u>28,725</u></u>	<u><u>21,008</u></u>	<u><u>29,215</u></u>

### 10 Trustees

Trustee Rev'd Dr C Norris was paid a salary of £36,250 (2020: £36,000) and benefitted from employer pension contributions totalling £6,389 (2020: £4,527) for his work as the Regional Ministry Team Leader. The authority to employee Trustees is contained within the Charity's governing document.

During the year five Trustees were reimbursed a total of £1,005 for travel and other expenses (2020: six Trustees were reimbursed a total of £996).

# THE SOUTHERN COUNTIES BAPTIST ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 11 Employees

Number of employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
Full time Regional Ministers	2	3
Part time Regional Ministers	1	1
Part time Administrator	1	1
Part time Support Staff (Admin Assistants)	1	2
Dorset Missional Listener	2	2
Pioneer Missioner	1	1
	<u>8</u>	<u>10</u>

Employment costs

	2021 £	2020 £
Wages and salaries	208,172	217,340
Social security costs	12,464	14,941
Other pension costs	27,172	19,342
Housing costs	49,622	47,735
	<u>297,430</u>	<u>299,358</u>

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

### 12 Property, plant and equipment

	Freehold land and buildings £
Cost	
At 1 January 2021	809,251
At 31 December 2021	<u>809,251</u>
Depreciation and impairment	
At 1 January 2021	8,992
Depreciation charged in the year	4,496
At 31 December 2021	<u>13,488</u>
Carrying amount	
At 31 December 2021	<u>795,763</u>
At 31 December 2020	<u>800,259</u>

# THE SOUTHERN COUNTIES BAPTIST ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 13 Fixed asset investments

	Baptist Insurance Co PLC £
Cost or valuation At 1 January 2021 & 31 December 2021	12,020
Carrying amount At 31 December 2021	12,020
At 31 December 2020	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.

### 14 Trade and other receivables

	2021 £	2020 £
Amounts falling due within one year:		
Loans to churches	31,000	28,500
Prepayments and accrued income	3,043	4,753
	<u>34,043</u>	<u>33,253</u>
Amounts falling due after more than one year:		
Loans to churches	<u>164,010</u>	<u>150,500</u>
Total debtors	<u>198,053</u>	<u>183,753</u>

As at 31 December 2021 total loans to churches amounted to £195,010 (2020: £179,000). New loans worth £65,000 were advanced to churches during the year (2020: £25,000) and repayments of loans during the year amounted to £48,990 (2020: £66,000)

# THE SOUTHERN COUNTIES BAPTIST ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

15	Borrowings		2021	2020
			£	£
	Other loans		50,000	110,000
			<u>          </u>	<u>          </u>
	Payable within one year		-	60,000
	Payable after one year		50,000	50,000
			<u>          </u>	<u>          </u>
16	Current liabilities		2021	2020
		Notes	£	£
	Borrowings		-	60,000
	Other taxation and social security		7,591	-
	Deferred income	19	4,485	-
	Other payables		-	7,695
	Accruals and deferred income		4,200	4,200
			<u>          </u>	<u>          </u>
			16,276	71,895
			<u>          </u>	<u>          </u>
17	Non-current liabilities		2021	2020
			£	£
	Borrowings		50,000	50,000
			<u>          </u>	<u>          </u>
18	Provisions for liabilities		2021	2020
		Notes	£	£
	Retirement benefit obligations	20	61,098	83,305
			<u>          </u>	<u>          </u>
			61,098	83,305
			<u>          </u>	<u>          </u>
19	Deferred income		2021	2020
			£	£
	Other deferred income		4,485	-
			<u>          </u>	<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.

Deferred income is included in the financial statements as follows:

# THE SOUTHERN COUNTIES BAPTIST ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

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### 19 Deferred income (Continued)

	2021	2020
	£	£
Deferred income is included within:		
Current liabilities	4,485	-
	<u>          </u>	<u>          </u>
Movements in the year:		
Deferred income at 1 January 2021	-	-
Resources deferred in the year	4,485	-
	<u>          </u>	<u>          </u>
Deferred income at 31 December 2021	<u>4,485</u>	<u>-</u>

Deferred income relates to subscriptions received for the 2022 Minister and Leaders Conference prior to the balance sheet date.

### 20 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 £27,172 (2020 - £19,342).

#### Defined benefit schemes

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

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. Prior to this date the main benefit provided through the Defined Benefit (DB) Plan was a 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.

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 Broadstone Corporate Benefits Ltd. 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 if 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 Limited. Members of the Basic Section pay reduced contributions of 5% of Pensionable Income, and their employers also pay a total of 5%.

The Scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. Because it is not possible to attribute the Scheme's assets and liabilities to specific employers, the scheme is accounted for as if the Scheme were a defined contribution scheme.

# THE SOUTHERN COUNTIES BAPTIST ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 20 Retirement benefit schemes (Continued)

#### Valuation

A formal valuation of the DB Plan as at 31 December 2019 was carried out by a professionally qualified Actuary using the Projected Unit Method. At the valuation date the market value of the DB Plan assets was £298 million, whilst the level of assets needed to pay benefits was £316m, giving a deficit of £18m (equivalent to a past service funding level of 94%). The Church and the other participating employers in the DB Plan are collectively responsible for funding this deficit.

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 Increase Adjustment (above CPI)	0.50
Assumed investment returns	
Pre-retirement (gilt yield plus 1.75% pa)	2.95
Post retirement (including benefits matched by the insurance policy) (gilt yield plus 0.5% pa)	1.70
Minimum Pensionable Income increases (CPI plus 0.5%)	3.20
Deferred pension increases (based on RPI)	
Pre April 2009	3.20
Post April 2009	2.50
Pension increases	
Based on CPI with an annual floor of 0% and annual cap of 5%	2.70

Mortality is assumed in accordance with 80% of the S3NA standard mortality table. Future improvements projected from 2013 in line with the "CMI 2019" projection with a long-term rate of improvement of 1.75% p.a. for males and 1.5% p.a. 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 signed in September 2020, deficiency contributions are payable until 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.

#### Movement in Balance Sheet liability

This liability represents the present value of the deficit contributions agreed as at the accounting 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 2021

### 20 Retirement benefit schemes (Continued)

#### Key assumptions

	2021	2020
	%	%
Discount rate	2.0	0.4
Future increases to Minimum Pensionable Income	4.1	3.0
	<u>          </u>	<u>          </u>

#### Amounts recognised in the income statement:

	2021	2020
	£	£
Net interest on defined benefit liability/(asset)	304	2,987
	<u>          </u>	<u>          </u>

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

	2021	2020
	£	£
Present value of defined benefit obligations	61,098	83,305
	<u>          </u>	<u>          </u>
Deficit in scheme	61,098	83,305
	<u>          </u>	<u>          </u>

Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability. The movement in the provision is set out in the table below.

#### Movements in the present value of defined benefit obligations:

	2021
	£
Liabilities at 1 January 2021	83,304
Plan introductions, changes, curtailments and settlements	(8,209)
Contributions from scheme members	(14,301)
Interest cost	304
	<u>          </u>
At 31 December 2021	61,098
	<u>          </u>

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 2021

#### 21 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 2021
	Balance at 1 January 2021	Incoming resources	Resources expended	Transfers	
	£	£	£	£	£
Church of the Year	1,253	2,511	-	-	3,764
DFES Funds for Youth Work	1,014	-	(1,014)	-	-
Pioneer Mission Fund	-	30,000	(64,291)	34,291	-
Hill Street, Poole Property	243,528	-	(1,986)	60,000	301,542
	<u>245,795</u>	<u>32,511</u>	<u>(67,291)</u>	<u>94,291</u>	<u>305,306</u>

#### Movements for the year ended 31 December 2020

	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
Hill Street, Poole Property	245,514	-	(1,986)	-	243,528
	<u>349,881</u>	<u>2,078</u>	<u>(7,404)</u>	<u>(98,760)</u>	<u>245,795</u>

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). A proportion of the wages of Claire Hooper were allocated to this fund as she is involved in supporting youth workers. The fund is now closed.

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.

Hill Street, Poole Property represents the net book value less borrowings (£351,542 less £50,000) of a property passed to SCBA when the Church located at Hill Street, Poole, Dorset closed. The Church directed that the property should be used to facilitate pioneer mission in Hamworthy and thus has restricted use. The property is used to house a mission family currently undertaking this work.



# THE SOUTHERN COUNTIES BAPTIST ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 22 General and Designated funds

t of unrestricted funds by the trustees for specific purposes:

	Balance at 1 January 2020		Movement in funds			Movement in funds			Balance at 31 December 2021			
	£	£	Incoming resources	Resources expended	Transfers	Revaluations, gains and losses	Balance at 1 January 2021	Incoming resources	Resources expended	Transfers Revaluations, gains and losses	£	£
<b>General Funds</b>												
General Fund	925,131	327,900	327,900	(393,119)	34,796	38,858	933,566	847,781	(364,894)	(68,757)	8,209	1,355,905
Investment in Baptist Insurance Company	12,020	-	-	-	-	-	12,020	-	-	-	-	12,020
Loan Funds (including Alden Memorial)	589,941	5,500	5,500	-	40,774	-	636,215	-	-	-	-	636,215
	<u>1,527,092</u>	<u>333,400</u>	<u>333,400</u>	<u>(393,119)</u>	<u>75,570</u>	<u>38,858</u>	<u>1,581,801</u>	<u>847,781</u>	<u>(364,894)</u>	<u>(68,757)</u>	<u>8,209</u>	<u>2,004,140</u>
<b>Designated Funds</b>												
Education & Sabbatical Grants	2,467	-	-	(4,200)	21,311	-	19,578	-	-	-	-	19,578
Abraham Trust (Confidential)	9,141	-	-	-	1,879	-	11,020	180	-	-	-	11,200
Pension Fund Debt Reserve	71,916	-	-	-	-	-	71,916	-	-	-	-	71,916
Pioneer Mission Fund	69,180	30,000	30,000	(73,646)	-	-	25,534	-	-	(25,534)	-	-
	<u>152,704</u>	<u>30,000</u>	<u>30,000</u>	<u>(77,846)</u>	<u>23,190</u>	<u>-</u>	<u>128,048</u>	<u>180</u>	<u>-</u>	<u>(25,534)</u>	<u>-</u>	<u>102,694</u>
<b>Total</b>	<u>1,679,796</u>	<u>363,400</u>	<u>363,400</u>	<u>(470,965)</u>	<u>98,760</u>	<u>38,858</u>	<u>1,709,849</u>	<u>847,961</u>	<u>(364,894)</u>	<u>(94,291)</u>	<u>8,209</u>	<u>2,106,834</u>

# THE SOUTHERN COUNTIES BAPTIST ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 22 General and Designated funds (Continued)

General Funds are held to support ongoing activities of the company.

#### Loan Funds

ly building projects.

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

#### Educational and Sabbatical Grants Fund

m member churches through sabbaticals and participation in other

#### Pioneer Mission

sociation. In conjunction with the appointment of a regional minister.  
ved and shown as restricted. Monies assigned by the Trustees  
year,

### 23 Analysis of net assets between funds

Fund balances are represented by:

	Unrestricted funds		Designated funds		Restricted funds		Total		Restricted funds		Total	
	2021	£	2021	£	2021	£	2021	£	2020	£	2020	£
Property, plant and equipment	444,221	-	-	-	351,542	446,731	795,763	-	-	353,528	800,259	-
Investments	12,020	-	-	-	-	12,020	12,020	-	-	-	12,020	-
Current assets/(liabilities)	1,608,997	102,694	102,694	3,764	1,206,355	1,206,355	1,715,455	128,048	128,048	(57,733)	1,276,670	(50,000)
Long term liabilities	-	-	-	(50,000)	(50,000)	-	(50,000)	-	-	(50,000)	(50,000)	(83,305)
Provisions and pensions	(61,098)	-	-	-	(61,098)	(83,305)	(61,098)	-	-	-	(83,305)	-
	2,004,140	102,694	102,694	305,306	1,581,801	2,412,140	128,048	128,048	245,795	1,955,644		

# THE SOUTHERN COUNTIES BAPTIST ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 24 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 £345,987 (2020: £358,249).

### 25 Related party transactions

There were no disclosable related party transactions during the year (2020 - none).

### 26 Analysis of changes in net funds

	At 1 January 2021 £	Cash flows £	At 31 December 2021 £
Cash at bank and in hand	1,164,812	368,866	1,533,678
Loans falling due within one year	(60,000)	60,000	-
Loans falling due after more than one year	(50,000)	-	(50,000)
	<u>1,054,812</u>	<u>428,866</u>	<u>1,483,678</u>

### 27 Cash generated from operations

	2021 £	2020 £
Surplus/(deficit) for the year	448,287	(112,891)
Adjustments for:		
Investment income recognised in statement of financial activities	(8,466)	(16,490)
Depreciation and impairment of property, plant and equipment	4,496	4,496
Difference between pension charge and cash contributions	(13,997)	(7,553)
Movements in working capital:		
(Increase)/decrease in trade and other receivables	(14,299)	41,427
(Decrease) in trade and other payables	(104)	(40,850)
Increase in deferred income	4,485	-
Cash generated from/(absorbed by) operations	<u>420,402</u>	<u>(131,861)</u>

# THE SOUTHERN COUNTIES BAPTIST ASSOCIATION

## RECONCILIATION ON ADOPTION OF FRS 102 AS AT 31 DECEMBER 2021

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### 28 Prior period adjustment

#### Changes to the statement of financial position

	At 31 December 2020		
	As previously reported	Adjustment	As restated
	£	£	£
Fixed assets			
Property, plant and equipment	446,731	353,528	800,259
Creditors due within one year			
Borrowings	-	(60,000)	(60,000)
Creditors due after one year			
Borrowings	-	(50,000)	(50,000)
	<u>          </u>	<u>          </u>	<u>          </u>
Net assets	1,712,116	243,528	1,955,644
	<u>          </u>	<u>          </u>	<u>          </u>
Capital funds			
Income funds			
Restricted funds	2,267	243,528	245,795
designated	128,048	-	128,048
Unrestricted funds	1,581,801	-	1,581,801
	<u>          </u>	<u>          </u>	<u>          </u>
Total equity	1,712,116	243,528	1,955,644
	<u>          </u>	<u>          </u>	<u>          </u>

# THE SOUTHERN COUNTIES BAPTIST ASSOCIATION

## RECONCILIATION ON ADOPTION OF FRS 102 (CONTINUED)

AS AT 31 DECEMBER 2021

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28 Prior period adjustment (Continued)

Changes to the income statement

	Period ended 31 December 2020		
	As previously reported	Adjustment	As restated
	£	£	£
Charitable activities	476,383	1,986	478,369
Net movement in funds	(72,047)	(1,986)	(74,033)

### Introduction of Property asset and related loans

In 2019 the Church meeting at Hill Street, Poole, Dorset closed. Under normal circumstances the Church manse would be sold and proceeds divided equally between the Baptist Union Corporation (BUC) and Southern Counties Baptist Association (SCBA).

The trustees of SCBA have now been advised that, prior to closure, the trustees of Hill Street Church specifically directed that the property should be used to facilitate pioneer mission in Hamworthy, and its beneficial ownership be passed to SCBA.

Since 2019, the property in question has been sold as it was unsuitable and a replacement property was purchased using both the proceeds of the sale, plus 3 loans totalling £110,000. The replacement property cost £357,500.

The prior year adjustment relates to the year ended 31 December 2019 when the property should have been recognised as an asset along with the corresponding loans being shown as borrowings. The adjustment introduces the calculated net book value of property at 1 January 2021 (£353,528) and the loans outstanding (£110,000). The expenditure for 2021 has been amended to include the annual depreciation charge of £1,986 on the property.

As the use of the property has been restricted, its value minus the outstanding borrowings are disclosed as restricted.