

South West Baptist Association

Annual Report & Financial Statements

Year Ended 31 December 2009



Registered office:

Wonford Baptist Chapel, 36-38 Wonford Street, Exeter EX2 5DL

Tel: 01392 433533

South West Baptist Association
(Limited by Guarantee)

Annual Report

Year Ended 31 December 2009

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South West Baptist Association

(Limited by Guarantee)

Reference and Administrative Details

Year Ended 31 December 2009

REFERENCE AND ADMINISTRATIVE INFORMATION

The name of the charity is the South West Baptist Association, also known as SWBA.

Address of Registered Office

Wonford Baptist Chapel
36-38 Wonford Street
Exeter
EX2 5DL

Trustees

Revd R J M Amess
Revd A Bailyes (interim appointment pending
2010 AGM)

Revd M R Hornsby
Mr M A Law
Mr K R Lawson
Revd A J Littlejohn (appointed 20.6.09)
Mr C P Merriman
Mr G F Roberts (resigned 20.6.09)
Mr D Wilson (resigned 20.6.09)
Mrs C Wooding
Rev D B Hewitt (resigned 30.4.09)

Revd C P Blizzard (appointed 20.6.09)

Revd J T Brown

Revd B J Carpenter (resigned 20.6.09)

Revd G C Graham

Mr P M Hindle

Senior Members of staff

The role of Chief Executive Officer is taken by Revd Jeremy Brown under the title Senior Regional Minister/Team Leader.

The other Senior Staff members are Revd David Hewitt, Regional Minister (ceased 30 April 2009) and Mrs Christine Wooding, Regional Administrator.

Day-to-day management of SWBA is delegated by the Trustees to the Senior Regional Minister and his staff.

Principal Advisors

Legal Advisors

Clarke Willmott
Blackbrook Gate
Blackbrook Park Avenue
Taunton
TA1 2PG

Silverthorne Colthorpe
21 Northernhay Street
Exeter
EX4 3ER

Investment Advisor

Williams De Broe
16 Dix's Field
Exeter
EX1 1QA

Bankers

CAF Bank
25 Kings Hill Avenue
Kings Hill
West Malling, Kent
ME19 4JQ

Auditors

Francis Clark
23 Devon Square
Newton Abbot
TQ12 2HU

Insurance Advisor

Fidelius
1 Emperor Way
Exeter Business Park
Exeter, EX1 3QS

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Trustees' Report

The Trustees submit their report and the audited financial statements for the period ended 31 December 2009. The accounts comply with current statutory requirements, the charity's governing document and Statement of Recommended Practice 2005 Accounting and Reporting by Charities.

The company was incorporated on 12 February 2008 and was registered as a charity on 10 July 2008. It is registered at Companies House under number 6501705, and with the Charity Commission under reference number 1124938.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Accounting Period

Although the company was incorporated on 12 February 2008, the transfer to it of the assets and liabilities from the former excepted charity could not take place until the charity registration on 10 July 2008. Therefore the comparative results shown in these accounts are for the period of 10 July 2008 to 31 December 2008.

Governing Document

South West Baptist Association's Governing Document is a Memorandum & Articles of Association, which has been approved by the member churches and the Charity Commission. The company is limited by guarantee, having no share capital. The members of the Association are the Baptist Churches listed in the first annex to the Memorandum of Association. In the event of the company being wound up the liability of each member is limited to £10. A full copy of the Governing Document may be obtained from the Association Office.

Recruitment and appointment of Trustees

The Regional Minister(s) and Administrator are Trustees *ex officio* for the duration of their employment in those roles.

The Chairman is nominated by the Board and elected by the Association AGM for a term of three years.

The Treasurer is nominated by the Board and elected by the Association AGM for a term of three years.

Each District of the Association may nominate one person as a Trustee. The currently serving District Trustees were nominated by their District and appointed by the AGM in June 2009 for a three year term.

There may be up to six additionally elected Trustees, appointed by the AGM for a three year term. At the date of this report there are two additionally elected Trustees:

Alan Bailyes – interim appointment.

Mike Law – appointed by the AGM in June 2008.

Alan Bailyes was appointed in an interim capacity as Trustee with Ministry Portfolio ("Ministry Coordinator") in January 2010. His name will be taken as a formal nomination to the AGM in May 2010 for official appointment for a three year term.

There are no external or additional persons or bodies who are entitled to appoint Trustees.

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Trustees' Report

The following were nominated by their Districts to serve as District Trustees:

Cornwall District	Charles Blizzard
Exeter District	Robert Amess
North Devon District	Andrew Littlejohn
Plymouth District	Glen Graham
Torbay District	Keith Lawson
Wessex District	Mike Hornsby

All were appointed by the AGM in June 2009 to serve for a three year term.

Induction and Training of Trustees

New Trustees receive a copy of Charity Commission publications CC3 The Essential Trustee, CC60 Hallmarks of an Effective Charity, and the "Good Governance" guideline document. In addition, the latest year's annual report and minutes of recent Board meetings are made available. New Trustees are offered a half-day training seminar to acquaint them with the basic tenets of charity trusteeship, the structures and personnel of SWBA, and the role of the SWBA Board of Trustees.

The Board aims to undertake a one-day or half-day training session once a year if possible, and at least once every two years.

Organisational Structure

The Board of Trustees understand their role to be broadly defined as follows:

- Setting and maintaining vision, mission and values, developing short, medium and long-term strategy, reviewing and assessing whether goals are being achieved
- Working with, supporting and overseeing the work of the Senior Regional Minister and his team, delegating to them responsibility for day-to-day management
- Managing funds and assets responsibly, ensuring the Association remains solvent, ensuring funds are used and applied according to our charitable purposes, and managing resources to maximise potential
- Ensuring compliance with charity law and other relevant legislation, ensuring appropriate policies are in place and adhered to, and that accounts and annual reports are published in accordance with approved guidelines
- Making careful decisions, listening to the views of the wider constituency as far as possible, and taking outside professional advice where appropriate

In short, the Board is concerned with governance, strategy, and general oversight.

The Board has established a series of sub-committees to which it delegates specific areas of work. Each sub-committee has a Terms of Reference document which has been approved by the Board which sets out the limits of its delegated authority to act and make decisions on behalf of the Board. Each sub-committee is accountable to and reports directly to the Board. The agreed policy is that there should be a minimum of two Trustees on each sub-committee, along with other non-Trustees who can offer specific experience or expertise in that area of work.

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Trustees' Report

At December 2009 the Board's sub-committees were:

Appointments Group
Finance Committee
Home Mission Committee
Personnel Committee
Property Committee

Day-to-day running of the Association is delegated to the Senior Regional Minister and his staff. The Senior Staff prepare a report on their work for each Board meeting, and are directly accountable to the Board.

Wider Networks

National

SWBA is one of thirteen regional associations affiliated to the Baptist Union of Great Britain. Each Association is independent and self-governing, but the values of interdependence are appreciated, and we identify ourselves as very much being part of a wider network and family. SWBA is partly funded from a national 'shared purse'; this is explained further in the Financial Review section of this report.

SWBA sets its own strategy and goals, but also seeks to remain true to the overarching strategy and goals of the wider Baptist family.

Regional

Under the "umbrella" of the South West Baptist Association is the South West Baptist Trust Corporation, which, as a limited company and a registered charity, attends to the legal, trust and property matters of the Association and its churches. The Trustees of SWBA are also the Directors of SWBTC. Kingdom Developments Limited, a wholly owned subsidiary of SWBTC, was incorporated in 2004 for the purpose of maximising the return to living churches from the proceeds of sale of redundant church buildings. The Directors of KDL are members of the Association's Property Committee.

Risk Management

The Trustees review annually their Risk Assessment document, which sets out those risks that have been identified as having a potentially significant impact on the ability of the Association to meet its aims and objectives. These include loss of key personnel, loss of data and records, financial fluctuations etc. The document assesses each risk in terms of significance and likelihood, and then identifies steps to be taken to mitigate these risks as far as possible. The Risk Assessment document was reviewed by the Trustees in May 2009.

OBJECTIVES AND ACTIVITIES

Charitable objects as defined in the governing document

The objects of the Association are defined in our governing document as follows:

The Association's objects ("the Objects") are the advancement of the Christian faith, especially by the means 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.

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South West Baptist Association is a geographically-based organisation, with our member churches being located in Cornwall, Devon, South Somerset and East Dorset. The objects listed above therefore relate specifically to this geographical area.

Public Benefit

The Trustees have complied with their duty in section 4 of the Charities Act 2006 by having referred to the public benefit guidance published by the Charity Commission.

Our main beneficiaries are the Baptist Churches in our geographical area (who are independent charities). Much of this section and the "Achievements and Performance" section explains the help and support which SWBA gives to the churches, especially the list of services provided. These all aim to help the churches better fulfil their own aims and objectives. No charges are made for any of the SWBA services.

Summary of Aims

The Trustees have identified that our work falls into three main categories:

Responsive

Responding to the needs of churches as effectively and efficiently as possible, facilitating, supporting and enabling their work; nurturing, supporting and caring for churches, ministers and leaders; providing an efficient infrastructure that meets the needs of the wider family.

Strategic

Working on and/or supporting projects that can best be approached by the Association, groups of churches or denominations coming together.

Prophetic

Seeking to hear what God is saying and speaking a word in season; provoking and challenging churches to move on from where they are; seeking to develop and bring on church leaders in their ministry; seeking to inspire and encourage churches and leaders in their ministry and mission; encouraging churches to feel part of a wider family.

Main objectives for the year 2009

Specific to 2009:

- keep financial position under regular review, formulate strategy to address budget deficit in 2010 (1)
- undertake a further finance/staffing review if deemed necessary by the Trustees (2)
- develop the role of Moderators and Interim Pastors with a view to maximising the potential of pastoral vacancy periods as a time for churches to move forward (3)
- seek ways to positively affirm the role of women in church leadership (4)
- further develop an action plan based on the 'health' of our churches (5)
- further develop work on geographical gaps, and a church planting strategy (6)
- support churches during the current economic downturn; encourage and inspire them to continue in their mission (7)

Ongoing:

- To continue our wide-ranging work amongst Association churches, supporting and resourcing through the services of the Association staff and volunteers (8)
- To continue our involvement in a range of projects with ecumenical partners (9)
- To provide a range of inspirational, challenging and informative events to encourage, resource and equip our churches and ministers (10)
- To continue to build a sense of wider community amongst the Association churches (11)

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Trustees' Report

Strategies for achieving these objectives

- A report to be commissioned examining current systems, structures, staffing and ways of working, relating these to budgeting constraints and setting out a number of options for the future (1 & 2)
- Training sessions for Moderators to be arranged along with training material to support them in their work. A list of potential new Moderators to be drafted with a view to inviting them to attend the training, thus expanding the pool of trained and available Moderators (3)
- A working group to be brought together to consider the possibility of study material and/or an event to encourage churches to engage with the issue of women in leadership and to encourage and empower women in our churches with leadership gifts (4)
- An updated "Health of the Churches" report to be brought to Trustees. Staff to continue working pro-actively with churches wherever possible with a view to their overall health not just survival (5)
- Trustees to draft and consider a short-list of locations for potential church plants and to continue to consider innovative ways in which churches might be brought into being (6)
- Churches and treasurers to be actively encouraged to contact SWBA at the earliest opportunity if financial concerns arise. Consideration to be given to laying on a series of 'roadshow' events focusing on making mission flourish even in times of the credit crunch (7)

Association Grants

No funds were available for grants during 2009, so the Trustees agreed that no new applications should be processed. Where a grant had previously been agreed, to be paid over a two or three-year period, these payments were honoured.

Role and contribution of volunteers

Much of SWBA's wide-ranging work would be impossible without our team of committed volunteers, who serve us in capacities such as:

- Serving on committees
- Administration
- Representing SWBA on other groups and bodies

The whole family of SWBA churches benefit from the contribution our volunteers make, and the many hours of unpaid service they give.

ACHIEVEMENTS AND PERFORMANCE

Review of activities undertaken in relation to objectives set

(numbers in brackets correspond to numbering of main objectives for 2009 as shown above)

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Staffing and Structural Review (1 & 2)

Following significant concerns being raised by the Trustees about the financial sustainability of current staffing levels, a detailed report was prepared and presented in March 2009. This was considered carefully and at length at the Board meeting on 12 March, with all staff members leaving the meeting for the main part of the discussion. It was agreed that difficult decisions needed to be made in order to reduce the anticipated budgetary deficit, and that all the member churches should be informed of the situation. The Board then met again on 30 March, and again all staff members left the room for the duration of the discussion regarding finance and staffing. It was eventually agreed, with great sadness, that one senior staff post and one part time post should be made redundant. David Hewitt's role (Regional Minister) was brought to an end on 30 April 2009, and Michael Emerton's role (Admin Assistant) was brought to an end on 31 August 2009.

Following these decisions the Trustees asked the remaining senior staff to produce detailed proposals for how the work of SWBA could be structured for the future with a reduced staff team. This was done in the form of a document entitled "New Ways Forward", which included proposals for wider use of unpaid volunteers for various tasks, the appointment of District Ministers to undertake local pastoral care of ministers on a voluntary basis, the formation of a new Ministry Task Group chaired by a Ministry Coordinator to oversee the whole area of ministry-related issues, and a number of other smaller changes and voluntary appointments. This document was approved by the Trustees in May and the staff were authorised to proceed with the necessary arrangements.

Moderators and Interim Pastors (3)

An initial training day for Moderators was held on 18 May. A Moderators Pack was prepared for this occasion, summarising the main points of the training. The first training day was attended mainly by Moderators who had previously served in the role. A second training day was held on 20 November, this time specifically aimed at those who had never served as a Moderator before.

A document for churches was also prepared, to help churches as they face a pastoral vacancy to recognise and identify the issues facing them and to determine whether a Moderator, Moderator 'Plus' or Interim Pastor would be best suited to their situation. We were pleased that our first Interim Pastors (a married couple) were appointed together during 2009 to lead one of our churches on a short-to-medium term basis.

Women in Leadership (4)

A small working group met early in the year, facilitated by David Hewitt. Following David's departure this was put on hold whilst the remaining staff dealt with the restructuring following the redundancies as a matter of urgency. The group met again in November and agreed to work towards putting on an event focusing on women in church leadership in the autumn of 2010. This work is actively ongoing.

Health of the Churches (5)

An updated Health of the Churches report was presented to the Trustees in September, with a summary of the continuing work.

Church Planting (6)

A shortlist of potential locations for church planting was considered by the Trustees in November. The Board agreed that conversations in these areas should continue to be pursued, and were particularly interested and encouraged by the possibilities in Cornwall. The possibility of having a trustee to oversee a church planting 'portfolio' was suggested, to be considered further for the future.

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The possibility of starting a new work in Newton Abbot also featured frequently on Board agendas, following the closure of Newton Abbot Baptist Church. There was a desire to find a way to use the assets from the closed church to see if a new and fresh work could take root. This culminated in a commitment to fund three years of initial ministry for a worker to come to Newton Abbot with fresh ideas for church planting and community outreach. A briefing paper and person specification were publicised, with interviews to be held early in 2010.

Support of churches during the economic downturn (7)

A series of 'roadshow' events were planned for the spring of 2009 to help church leaders think and plan well during the time of credit crunch. Sadly these had to be cancelled following the staff redundancies whilst the remaining team members sought to reorganise the workload and reset priorities.

The ongoing work of SWBA

Association staff continued to offer a wide range of support services to churches, dealing with large numbers of emails, letters, phone calls etc, offering advice and support on matters ranging through legal and charity issues, practical matters through to personal and pastoral difficulties and theological thickets! A particular focus in 2009 was seeking to establish a team of District Ministers who could deliver day-to-day support and pastoral care to ministers in their local area. (8)

SWBA was actively involved as the lead denomination in the project to form a church in the new community of Sherford, meeting through the year as the Sherford Valley Core Group. We were delighted that leaders of other denominations took the decision to invite SWBA to head up a church plant on behalf of all. We were also pleased to be able to place a Baptist minister within a Methodist project in Cornwall ('Tubestation' at Polzeath) and hope that this is a partnership that can be repeated in other locations in the future. (9)

Services Provided

SWBA continued during 2009 to provide a wide range of services to our churches and their leaders, including: (8, 10 & 11)

- Access to the National Settlement system for those churches seeking ministers, and ministers seeking to move
- Pastoral care for ministers, their spouses and families, and for church leaders where possible
- Care of newly accredited ministers
- Legal and property advice and services through South West Baptist Trust Corporation
- General help, support and advice on a whole range of issues arising in church life
- Support and mediation during times of particular difficulty in church life
- Training and support for deacons and church leaders
- An efficient and effective communications network
- A ministerial recognition process for those who feel they may be called into ministry
- A structure for facilitating and processing applications to the Baptist Union for Home Mission support, and forwarding them on
- Inductions, ordinations and advice to churches through the process of appointing a minister
- Child protection training and guidance; verification of CRB checks for ministers
- Preaching and teaching ministry from staff and Trustees

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Trustees' Report

SWBA Events during 2009 (8, 10 & 11)

Our Ministers' Conference met in February at Sidholme in Sidmouth

The Association AGM and Annual Assembly was held on 20 June at Wellington Baptist Church

In November we held our annual training seminar for new church leaders *Stepping into Leadership*

Review of activities undertaken by Subsidiaries

At 31st December 2009, the South West Baptist Trust Corporation had a total of 64 active files of church projects or matters in which the Corporation is involved. At 31st December 2008 the number of active files was also 64. During the period 1st January – 31st December 2009, a total of 21 active files were successfully completed and closed, or set aside as inactive. 21 files were also opened for new issues.

Completed jobs in 2009 include files for a wide variety of issues such as change of manses, the sale of a difficult church site and church refurbishments . All projects are initiated by individual churches and the Corporation will always seek to assist and enable them to deal with legal, trust and title issues, and to realise their vision for the future.

2009 saw ongoing developments with the churches wishing to change or redevelop their premises and progress has been made in preparing for a number of building projects.

The Corporation continues to regard it as their greatest privilege to assist local churches in carrying out their widely varying ministries amongst their communities and have been able to provide help in getting it right on many occasions during the year.

The work of KDL was overseen by the members of the Property Committee and its services were considered where appropriate.

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Trustees' Report

FINANCIAL REVIEW

Reserves

The group's reserves have largely originated from the sale proceeds of closed churches over many years. The total level of reserves held is £1,948,079.

There are five categories of designated funds held :-

- | | | |
|-------------------------|----------|--|
| ▪ Fixed Assets | £783,669 | Not freely available to be spent |
| ▪ Investment Properties | £54,000 | Not freely available to be spent |
| ▪ Investments | £591,832 | Held to generate funds for day to day running costs of SWBA |
| ▪ Grant commitments | £118,750 | Set aside for specific projects with £26,917 expected expenditure in 2010, £35,833 in 2011, £35,833 in 2012 and £20,167 in 2013. |
| ▪ Newton Abbot | £353,872 | Set aside for church planting project |

The remaining reserves of £45,956 are unrestricted general funds; £86,866 is held by SWBA and is used as the working capital of the charitable company, a deficit of £43,301 relates to SWBTC and funds of £2,391 are held by Kingdom Developments Limited.

Any fund materially in deficit

There were no funds materially in deficit in 2009 for SWBA.

The deficit of unrestricted reserves relating to SWBTC, arose because of realised losses on investments due to the economic downturn. Income in 2009 has reduced this loss and future income will continue to do so as there will be little future expenditure. There will be no more losses and gains on investments as none are held.

Funding

The principle funding source is the annual grant received by SWBA from the Baptist Union. This is based on a core funding proportion, supplemented by a rebate of 25% of the total contributed in the preceding year by south west churches to the Baptist Home Mission Fund.

Further income is derived from the investments held and also from the sale of closed chapels where the SWBA was named as a beneficiary in the chapel's deeds.

This financial support facilitates that basic work of the Association in its objectives of seeking to support and serve the local churches and ministers. This is often in the form of advice, support, encouragement and training offered by the Senior Staff and other team members.

Investments

The Trustees intend that the real value of their assets be maintained and enhanced over the long term by investment in a portfolio comprised of equities, fixed income stocks, collective investments and cash. The Trustees have adopted the following as its investment policy:

Williams de Broe as their advisors will manage a diversified portfolio of suitable investments on a Discretionary basis. Reviews will take place with Williams de Broe at intervals not exceeding six months. The investment advisors will not invest in any companies directly and wholly engaged in alcohol, tobacco, gambling, armaments or pornography. As far as possible, consideration should be given to other companies to ensure that no more than 10% of their business is involved in any of these areas.

A **Balanced** investment objective was selected as of February 2009, with a **Low** risk profile (no equities). In June 2009, the investments started to be moved back into equities, with a preference for collectives rather than individual shares.

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Trustees' Report

PLANS FOR FUTURE PERIODS

Aims and key objectives set for future periods

The ongoing objectives listed above will continue to be addressed during 2010 and beyond.

Specific objectives for 2010:

- keep financial position under regular review, formulate strategy to address any future budget deficit
- consolidate changes made in 2009 following staffing review, supporting staff in adjusting to new ways of working and continuing to recruit and establish key volunteers in certain roles
- seek ways to positively affirm the role of women in church leadership
- further develop an action plan based on the 'health' of our churches
- further develop work on geographical gaps, and a church planting strategy
- establish a new work in Newton Abbot, appointing a church planter and setting up appropriate support structures

OTHER MATTERS

Compliance with Charity's Governing Document and Current Statutory Requirements

The accounts have been prepared in accordance with the governing document of the Charity, current statutory requirements and the requirements of the Statement of Recommended Practice 2005, Accounting and Reporting by Charities.

Trustees' Responsibilities

The trustees (who are also the directors of the South West Baptist Association for the purposes 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 charitable company and of the incoming resources and application of resources, including the income and expenditure of the charitable company for that period. In preparing the 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 and 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 business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware ; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Charity Commission requires that the Trustees subscribe to the charity's Statement of Public Benefit as set out on page 5 of this report.

Status Of Report

This report has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (issued in March 2005) and in accordance with the special provisions of part 15 of the Companies Act 2006 relating to small entities.

PHIL HINDLE

Chair of Trustees

South West Baptist Association

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Independent Auditor's Report to the Members of the South West Baptist Association

Year Ended 31 December 2009

We have audited the group and parent charitable company financial statements ("the financial statements") of South West Baptist Association for the year ended 31 December 2009 which comprise the Group Statement of Financial Activities, Charity Statement of Financial Activities, the Group Balance Sheet, the Charity Balance Sheet and the related notes. These financial statements have been prepared in accordance with the accounting policies set out therein, and the requirements of the Financial Reporting Standard for Smaller Entities (effective April 2008)

This report is made solely to the Association's trustees, as a body, in accordance with Chapter 3 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Association's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association and its trustees as a body, for our audit work, for this report, or for the opinion we have formed.

Respective Responsibilities Of Trustees And Auditors

The trustees' (who are also the directors of the company for the purposes of company law) responsibilities 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) and for being satisfied that the financial statements give a true and fair view are set out in the Statement of Trustees Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and have been prepared in accordance with the Companies Act 2006. We also report to you whether, in our opinion, the information given in the Trustees' Report is consistent with those financial statements.

In addition, we report to you if, in our opinion, the charity has not kept adequate accounting records, if the charity's financial statements are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for our audit, or if certain disclosures of trustees' remuneration specified by law are not made.

We read the Trustees Annual Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis Of Audit Opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

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Independent Auditor's Report to the Members of the South West Baptist Association

Year Ended 31 December 2009

Opinion

In our opinion

- the financial statements give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 December 2009 and of their incoming resources and application of resources, including their income and expenditure, for the year then ended; and
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been properly prepared in accordance with the Companies Act 2006; and
- the information provided in the Trustees' Report is consistent with the financial statements.

Christopher Hicks (Senior Statutory Auditor)

For and on behalf of

FRANCIS CLARK LLP

Chartered Accountants and Statutory Auditor

23 Devon Square

Newton Abbot

TQ12 2HU

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Statement of Financial Activities (Incorporating Income & Expenditure Account) - Group

Year Ended 31 December 2009

	Notes	Total Unrestricted Funds 2009 £	Total Unrestricted Funds 2008 £
Incoming Resources			
Incoming Resources from Generated Funds			
Voluntary Income:			
Baptist Union – Home Mission grant		99,437	48,083
Closed chapels		356,825	200,703
Activities for generating funds:			
Investment income	3	17,654	21,260
Transfer from previous charity	16a	-	1,828,156
Incoming resources from charitable activities	4	41,939	20,436
Total incoming resources		<u>515,855</u>	<u>2,118,638</u>
Resources Expended			
Costs of generating funds	5	15,550	21,572
Charitable activities	5	163,240	162,803
Governance costs	5	53,144	20,366
Total resources expended		<u>231,934</u>	<u>204,741</u>
Net incoming resources before other recognised losses		283,921	1,913,897
Other recognised gains/(losses)			
Losses on revaluation of fixed assets for charity's own use	8,9,14	(43,100)	(98,550)
Net realised and unrealised gain/(loss) on Investment assets	9	65,168	(165,393)
Net movements in funds		305,989	1,649,954
Total funds at 31 December 2008		<u>1,642,090</u>	<u>(7,864)</u>
Total funds at 31 December 2009		<u>1,948,079</u>	<u>1,642,090</u>

The group has no recognised gains or losses for the year other than those shown above. The group's results derive from continuing activities.

South West Baptist Association
(Limited by Guarantee)

Statement of Financial Activities (Incorporating Income & Expenditure Account) - Charity
Year Ended 31 December 2009

	Notes	Total Unrestricted Funds 2009 £	Total Unrestricted Funds 2008 £
Incoming Resources			
Incoming Resources from Generated Funds			
Voluntary Income:			
Baptist Union – Home Mission grant		99,437	48,083
Closed chapels		356,825	200,703
Activities for generating funds:			
Investment income	3	17,654	21,133
Transfer from previous charity	16a	-	1,828,156
Incoming resources from charitable activities	4	18,759	3,856
Total incoming resources		<u>492,675</u>	<u>2,101,931</u>
Resources Expended			
Costs of generating funds	5	15,550	21,418
Charitable activities	5	162,141	97,384
Governance costs	5	48,187	19,062
Total resources expended		<u>225,878</u>	<u>137,864</u>
Net incoming resources before other recognised losses		266,797	1,964,067
Other recognised gains/(losses)			
Losses on revaluation of fixed assets for charity's own use	8,9,14	(43,100)	(98,550)
Net realised and unrealised gain/(loss) on Investment assets	9	65,168	(165,393)
Net movements in funds		288,865	1,700,124
Total funds at 31 December 2008		1,700,124	-
Total funds at 31 December 2009		<u>1,988,989</u>	<u>1,700,124</u>

The charitable company has no recognised gains or losses for the year other than those shown above.
The charitable company's results derive from continuing activities.

South West Baptist Association
(Limited by Guarantee)

Balance Sheet - Group

Year Ended 31 December 2009

	Notes	2009 £	2008 £
Fixed Assets			
Tangible fixed assets	8	872,460	900,090
Investments	9	683,749	622,085
		<u>1,556,209</u>	<u>1,522,175</u>
Current assets			
Investments	9	364,000	382,000
Debtors	11	46,909	36,240
Bank and cash in hand	12	483,101	462,148
		<u>894,010</u>	<u>880,388</u>
Creditors - Amounts falling due within one year	13a	<u>(430,329)</u>	<u>(332,630)</u>
Net current assets		<u>463,681</u>	<u>547,758</u>
Total assets less current liabilities		2,019,890	2,069,933
Creditors - Amounts falling due after more than one year	13b	<u>(71,811)</u>	<u>(427,843)</u>
Net assets		<u>1,948,079</u>	<u>1,642,090</u>
The funds of the charity:			
Designated funds	14	1,902,123	1,586,951
Unrestricted funds		43,565	52,200
Non charitable trading funds		2,391	2,939
Total charity funds		<u>1,948,079</u>	<u>1,642,090</u>

The financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006, and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

Approved by the Board of Trustees on and signed on its behalf by

.....
Phil Hindle
Chair of Trustees

Company Registration Number: 6501705

South West Baptist Association
(Limited by Guarantee)

Balance Sheet - Charity

Year Ended 31 December 2009

	Notes	2009 £	2008 £
Fixed Assets			
Tangible fixed assets	8	872,460	900,090
Investments	9	683,749	622,085
		<u>1,556,209</u>	<u>1,522,175</u>
Current assets			
Investments	9	364,000	382,000
Debtors	11	47,074	174,286
Bank and cash in hand	12	128,209	104,394
		<u>539,283</u>	<u>660,680</u>
Creditors - Amounts falling due within one year	13a	<u>(34,692)</u>	<u>(54,888)</u>
Net current assets		<u>504,591</u>	<u>605,792</u>
Total assets less current liabilities		<u>2,060,800</u>	<u>2,127,967</u>
Creditors - Amounts falling due after more than one year	13b	<u>(71,811)</u>	<u>(427,843)</u>
Net assets		<u>1,988,989</u>	<u>1,700,124</u>
The funds of the charity:			
Designated funds	14	1,902,123	1,586,951
Unrestricted funds		86,866	113,173
Total charity funds		<u>1,988,989</u>	<u>1,700,124</u>

The financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006, and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

Approved by the Board of Trustees on and signed on its behalf by

.....
Phil Hindle
Chair of Trustees

Company Registration Number: 6501705

South West Baptist Association

(Limited by Guarantee)

Notes to the Financial Statements

Year Ended 31 December 2009

1 Accounting Policies

- (a) The financial statements have been prepared under the historical cost convention as modified by the revaluation of investments, and in accordance with the Statement of Recommended Practice, Accounting and Reporting by Charities (SORP 2005) issued in March 2005, the Financial Reporting Standard for Smaller Entities (effective April 2008) and the Companies Act 2006. The comparative results shown in these accounts are for the period from 10 July 2008, the date the charity was registered with the Charity Commission, to 31 December 2008.

The Statement of Financial Activities and Balance Sheet consolidate the financial statements of the Charity and its subsidiaries. The results of the subsidiaries, South West Baptist Trust Corporation and Kingdom Developments Limited, are consolidated on a line by line basis. The comparative figures for the subsidiaries have been time apportioned so that they only relate to the period from 10 July 2008 to 31 December 2008.

- (b) Voluntary income including grants, donations, gifts, legacies and closed chapel income is recognised when there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

Investment income and administration recharges are recognised on a receivable basis.

South West Baptist Trust Corporation is involved in assisting other churches with property transactions. The church/organisation pay commission at a rate of 0.5% on a separate sale or purchase and 0.375% on each transaction involving a connected sale and purchase. This is included on an accruals basis.

- (c) Grants paid are made in accordance with the aims of the Association and are made to churches and other bodies to further the aims. They are recognised on an accruals basis. Further details are provided in notes 6 and 15.
- (d) Resources expended are recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and this is reported as part of the expenditure to which it relates:
- Costs of generating funds includes those costs which are associated with generating incoming resources from all sources other than from undertaking charitable activities.
 - Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. They include certain grants (see (c) above) and interest paid on Holding Funds (included on a receivable basis).
 - Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fee and costs linked with the strategic management of the charity.
 - All costs are allocated between the expenditure categories of the SOFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis e.g. staff time.

- (e) Tangible Fixed Assets: Freehold properties are included at market value. Buildings are depreciated over 50 years on a straight line basis, unless professionally valued as at the balance sheet date. Fixtures, fittings and equipment, with a cost of over £100, are capitalised at cost and depreciated over four years on a straight line basis.

- (f) Investment assets are stated at market value. Unrealised gains and losses on disposal or revaluation of investments are charged or credited to the SOFA.

South West Baptist Association

(Limited by Guarantee)

Notes to the Financial Statements

Year Ended 31 December 2009

1 Accounting Policies (continued)

(g) Surplus/Deficit on funds held on behalf of others

South West Baptist Trust Corporation pays a fixed rate of interest on funds held on behalf of others, which in 2008 was 4% for the three months ended 30 September 2008 and 2% to 31 December 2008. In 2009 interest paid was 1% for the three months ended 31 March 2009, 0.25% for the three months ended 30 June 2009 and 0.1% for the six months ended 31 December 2009. In 2008, the deficit arising on the underlying investments which was less than the interest paid was charged to the SOFA.

(h) Fund Accounting:

- (i) Unrestricted funds are donations and other incoming resources received or generated for the objects of the Association without further specified purpose and are available for general use.
- (ii) Designated funds – these are funds set aside by the Trustees out of unrestricted general funds for specific purposes. These funds are specified in note 14.

(i) Pension Costs

The Association participates in the Baptist Ministers' Pension Scheme (a multi-employer defined benefit scheme) and the Baptist Union Staff Pension Scheme (a multi-employer defined benefit scheme). The contributions are charged in the year in which they are paid. Further details are included in Note 17.

2 Company Status

The charity is a company limited by guarantee and has no share capital. The members may be required to contribute a sum not exceeding £10 each in the event of winding up.

3 UK Investment Income

	Group 2009	Group 2008	Charity 2009	Charity 2008
	£	£	£	£
Dividends and Distribution	12,805	15,043	12,805	15,043
Bank interest	4,349	5,817	4,349	5,690
Memorial Loan Fund – thank-offerings in lieu of interest	500	400	500	400
	<u>17,654</u>	<u>21,260</u>	<u>17,654</u>	<u>21,133</u>

4 Incoming Resources from Charitable Activities

	Group 2009	Group 2008	Charity 2009	Charity 2008
	£	£	£	£
Interest receivable	1,699	13,469	-	-
Property transactions	21,318	2,926	-	-
Assembly	1,000	71	1,000	71
Course and Publication	1,682	849	1,682	849
Year books	416	577	416	577
Preaching fees	2,281	2,242	2,281	2,242
Other	13,543	302	13,380	117
	<u>41,939</u>	<u>20,436</u>	<u>18,759</u>	<u>3,856</u>

South West Baptist Association
(Limited by Guarantee)

Notes to the Financial Statements

Year Ended 31 December 2009

5 Resources Expended - Group

	Basis of Allocation	Charitable Activities				Total 2009 £	Total 2008 £
		Costs of Generating Funds £	Grants (Note 6) £	Provision of Advice £	Governance £		
Grants payable	Direct	-	24,780	-	-	24,780	23,225
Travel expenses	Direct	-	-	763	1,525	2,288	11,982
Training Co-ordinator	Direct	-	-	-	-	-	3,802
Investment Manager Fees	Direct	3,504	-	-	-	3,504	3,154
Loan Interest Payable	Direct	11,971	-	-	-	11,971	17,190
Bank Charges	Direct	139	-	40	-	179	76
Depreciation	Direct	-	-	2,530	-	2,530	2,480
Property costs	Direct	-	-	10,918	-	10,918	6,995
Costs of meetings	Direct	-	-	-	3,429	3,429	194
Auditors' remuneration – audit	Direct	-	-	-	13,448	13,448	5,304
Professional Fees	Direct	-	-	-	4,755	4,755	3,201
Trustee costs	Direct	-	-	-	847	847	-
Church advice and support	Direct	-	-	995	-	995	-
Deficit on funds held on behalf of others	Direct	-	-	-	-	-	63,889
Support Costs:							
General office staff	Staff time	-	-	53,987	17,996	71,983	24,390
Ministers	Ministers' time	-	-	62,530	8,933	71,463	33,171
Office expenses	Staff time	-	-	1,077	359	1,436	1,525
Printing, stationery, postage and phone	Staff time	-	-	4,634	1,545	6,179	4,163
Assembly costs	Staff time	-	-	922	307	1,229	-
		<u>15,614</u>	<u>24,780</u>	<u>138,396</u>	<u>53,144</u>	<u>231,934</u>	<u>204,741</u>
Analysed between:							
Unrestricted designated funds		15,475	18,850	5,483	-	39,808	2,480
Unrestricted general funds		139	5,930	132,913	53,144	192,126	202,261
		<u>15,614</u>	<u>24,780</u>	<u>138,396</u>	<u>53,144</u>	<u>231,934</u>	<u>204,741</u>

South West Baptist Association
(Limited by Guarantee)

Notes to the Financial Statements

Year Ended 31 December 2009

5 Resources Expended - Charity

	Basis of Allocation	Charitable Activities				Total 2009 £	Total 2008 £
		Costs of	Grants	Provision	Governance		
		Generating Funds £	(Note 6) £	of Advice £	£		
Grants payable	Direct	-	24,780	-	-	24,780	23,225
Travel expenses	Direct	-	-	763	1,525	2,288	11,982
Training Co-ordinator	Direct	-	-	-	-	-	3,802
Investment Manager Fees	Direct	3,504	-	-	-	3,504	1,853
Loan Interest Payable	Direct	11,971	-	-	-	11,971	17,036
Bank Charges	Direct	75	-	-	-	75	29
Depreciation	Direct	-	-	2,530	-	2,530	2,480
Property costs	Direct	-	-	10,918	-	10,918	6,813
Costs of meetings	Direct	-	-	-	3,429	3,429	194
Auditors' remuneration – audit	Direct	-	-	-	9,174	9,174	4,000
Professional Fees	Direct	-	-	-	4,439	4,439	3,201
Trustee costs	Direct	-	-	-	480	480	-
Support Costs:							
General office staff	Staff time	-	-	53,987	17,996	71,983	24,390
Ministers	Ministers' time	-	-	62,530	8,933	71,463	33,171
Office expenses	Staff time	-	-	1,077	359	1,436	1,525
Printing, stationery, postage and phone	Staff time	-	-	4,634	1,545	6,179	4,163
Assembly costs	Staff time	-	-	922	307	1,229	-
		<u>15,550</u>	<u>24,780</u>	<u>137,361</u>	<u>48,187</u>	<u>225,878</u>	<u>137,864</u>
Analysed between:							
Unrestricted designated funds		15,475	18,850	5,483	-	39,808	2,480
Unrestricted general funds		75	5,930	131,878	48,187	186,070	135,384
		<u>15,550</u>	<u>24,780</u>	<u>137,361</u>	<u>48,187</u>	<u>225,878</u>	<u>137,864</u>

South West Baptist Association
(Limited by Guarantee)

Notes to the Financial Statements

Year Ended 31 December 2009

6 Grants Payable - Charity

	Youth and Children's Work £	Evangelism/ Outreach £	Post Grad Study/ Research £	Work of Church £	Total 2009 £	Total 2008 £
Grants to Institutions:						
Fivehead BC	-	750	-	-	750	750
Falmouth (Emmanuel) BC	1,500	-	-	-	1,500	1,500
Taunton, Halcon BC	-	-	-	(17,000)	(17,000)	5,000
Mutley, Plymouth BC	-	-	-	-	-	2,000
Abbotsham BC	-	-	-	3,600	3,600	1,800
Teenbridge Project	-	-	-	500	500	500
Rural Expression	-	5,000	-	-	5,000	5,000
Saltash BC	2,000	-	-	-	2,000	2,000
Hooe BC	-	-	-	1,000	1,000	1,000
Christians together in Devon & Cornwall	-	-	-	2,198	2,198	1,816
Bath West & Devon County Shows	-	-	-	500	500	400
Youth & Womens Network	-	-	-	-	-	559
Torquay, Willows	-	-	-	2,000	2,000	-
Salcombe BC	-	-	-	4,000	4,000	-
Roselands BC	-	-	4,500	-	4,500	-
Christian Resources Project	3,000	-	-	-	3,000	-
Christians together in Somerset & Dorset	-	-	-	412	412	-
Kingscott Graveyard	-	-	-	350	350	-
Brayford Graveyard	-	-	-	8,000	8,000	-
Baptist Union Subscriptions	-	-	-	320	320	-
Clarion Trust International	-	-	-	250	250	-
Retired Ministers	-	-	-	1,000	1,000	-
	<u>6,500</u>	<u>5,750</u>	<u>4,500</u>	<u>7,130</u>	<u>23,880</u>	<u>22,325</u>
Grants to individuals:						
Missionaries and students	-	-	900	-	900	900
	<u>-</u>	<u>-</u>	<u>900</u>	<u>-</u>	<u>900</u>	<u>900</u>
Total grants	<u>6,500</u>	<u>5,750</u>	<u>5,400</u>	<u>7,130</u>	<u>24,780</u>	<u>23,225</u>

South West Baptist Association
(Limited by Guarantee)

Notes to the Financial Statements

Year Ended 31 December 2009

7 Staff Costs – Group and Charity	Total Unrestricted Funds 2009 £	Total Unrestricted Funds 2008 £
Wages and salaries	94,624	52,019
Social security costs	7,232	4,152
Other pension costs	10,647	5,191
	<u>112,503</u>	<u>61,362</u>

The average number of employees (both full-time and part-time) during the period was:

	2009 Number	2008 Number
Pastoral (full-time equivalent = 1)	1	2
Administration, premises, etc (full-time equivalent = 2)	3	3
	<u>4</u>	<u>5</u>

There are no employees with emoluments above £60,000

Salaries, social security costs, pension costs and other benefits have been paid to the following Trustees:

	2009 £	2008 £
Jeremy Brown	34,639	15,729
David Hewitt	10,907	13,762
Chris Wooding	29,050	14,092
	<u>74,600</u>	<u>43,583</u>

Accommodation is provided to Jeremy Brown and David Hewitt, together with their families, by the Association.

The sums are payable to Jeremy Brown, David Hewitt and Chris Wooding in the course of their full time work as senior staff of the charity and not by virtue of their role as Trustees. The Memorandum and Articles of the Association provides legal authority for the payment to these Trustees.

Included in these figures are pension costs of:

Jeremy Brown	5,196	1,547
David Hewitt	1,528	1,657
Chris Wooding	3,923	1,987
	<u>10,647</u>	<u>5,191</u>

Further details of the pension are included in Note 17.

During the period, the charity and group has reimbursed travel, telephone and other expenses totalling £15,706 to 12 Trustees (2008: £11,723 to 9 Trustees).

South West Baptist Association
(Limited by Guarantee)

Notes to the Financial Statements

Year Ended 31 December 2009

8 Tangible Fixed Assets – Group and Charity	Freehold Property £	Fixtures, Fittings & Equipment £	Total £
Cost/Valuation			
At 31 December 2008	895,100	7,470	902,570
Revaluation	(25,100)	-	(25,100)
At 31 December 2009	870,000	7,470	877,470
Depreciation			
At 31 December 2008	-	2,480	2,480
Charge for the period	-	2,530	2,530
At 31 December 2009	-	5,010	5,010
Net Book Value at 31 December 2009	870,000	2,460	872,460
Net Book Value at 31 December 2008	895,100	4,990	900,090

The freehold properties were revalued by external valuers, Adrian Male Associates, chartered surveyors, on the basis of market value on 31 December 2009.

9 Investments – Group and Charity

Fixed Assets

	2009 £	2008 £
Listed on a recognised stock exchange:		
Market value at 31 December 2008	534,518	-
Transfer from previous charity	-	729,575
Net investment withdrawals made in the year	(3,504)	(1,853)
Transfer from/(to) cash	48,972	(27,811)
Realised and unrealised gain/(loss) on investments	65,168	(165,393)
Market value at 31 December 2009	645,154	534,518
UK cash held as part of the investment portfolio:		
Balance at 31 December 2008	82,857	-
Transfer from previous charity	-	55,046
Transfers from listed investments	(48,972)	27,811
Balance at 31 December 2009	33,885	82,857
Other		
Balance at 31 December 2008 and at 31 December 2009	4,710	4,710
	683,749	622,085

South West Baptist Association
(Limited by Guarantee)

Notes to the Financial Statements

Year Ended 31 December 2009

9 **Investments** *(continued)*

Funds 2009
Market Value
£

The investments held on 31 December 2009 were:

Government Securities – UK	103,191
Listed Investment Portfolio – UK	355,407
Listed Investment Portfolio – outside the UK	186,556
Dealing Account	33,885
Other investments	4,710
	683,749
	683,749

The portfolio contains the following material investments:

Market Value
£

Royal London Corporate Bond Fund	40,148
UK Government Securities 2.5% 2016	50,995
UK Government Securities 2.5% 2013	52,197
	143,340

Current assets	2009	2008
UK Investment Property:	£	£
Balance at 31 December 2008	382,000	-
Transfer from previous charity	-	454,364
Additions	310,000	72,000
Disposals	(310,000)	(144,364)
Revaluation	(18,000)	-
	364,000	382,000
Balance at 31 December 2009	364,000	382,000

Investment properties have been valued by external valuers, Adrian Male Associates, chartered surveyors, on the basis of market value at 31 December 2009.

10 **Subsidiary Undertakings**

The charitable company has a wholly owned subsidiary, the South West Baptist Trust Corporation, a charitable company which attends to the legal, property and trust matters of the South West Baptist Association and its churches. The directors of the South West Baptist Association are also the directors of the South West Baptist Trust Corporation and therefore have dominant influence and control over the activities of the subsidiary. There is no investment value in the South West Baptist Association as the South West Baptist Trust Corporation is a company limited by Guarantee.

South West Baptist Association
(Limited by Guarantee)

Notes to the Financial Statements

Year Ended 31 December 2009

10 **Subsidiary Undertakings** *(continued)*

The South West Baptist Trust Corporation had the following results:

	Year ended 31 Dec 2009 to 31 Dec 2008	10 July 2008 to 31 Dec 2008
	£	£
Total incoming resources	23,017	16,532
Total resources expended	(5,345)	(66,519)
Net movement in funds	<u>17,672</u>	<u>(49,987)</u>
	At	At
	31 Dec 2009	31 Dec 2008
	£	£
Assets	352,163	354,875
Liabilities	(395,464)	(415,848)
Funds	<u>(43,301)</u>	<u>(60,973)</u>

The South West Baptist Trust Corporation owns 100% of the issued share capital in Kingdom Developments Limited, a property development company working to maximise the return on the disposal of redundant church buildings.

The results of Kingdom Developments Limited were as follows:

	Year ended 31 Dec 2009 to 31 Dec 2008	10 July 2008 to 31 Dec 2008
	£	£
Turnover	-	-
Administrative expenses	(711)	(409)
Operating loss	<u>(711)</u>	<u>(409)</u>
Interest receivable	1	253
Interest payable and similar charges	-	(307)
Taxation	162	97
Loss for the year	<u>(548)</u>	<u>(366)</u>
	At	At
	31 Dec 2009	31 Dec 2008
	£	£
Assets	3,891	4,439
Liabilities	(500)	(500)
Shareholders funds	<u>3,391</u>	<u>3,939</u>

South West Baptist Association
(Limited by Guarantee)

Notes to the Financial Statements

Year Ended 31 December 2009

11 Debtors

	Group 2009 £	Group 2008 £	Charity 2009 £	Charity 2008 £
Due by SWBTC	-	-	327	138,606
Memorial Loan Fund – Loans to churches	39,450	32,700	39,450	32,700
Other debtors	-	463	-	-
Corporation tax	162	97	-	-
Accrued income	7,297	2,980	7,297	2,980
	<u>46,909</u>	<u>36,240</u>	<u>47,074</u>	<u>174,286</u>

Included above are debtors due after more than one year totalling £34,200 (2008 : £26,700).

12 Bank and Cash In Hand

CAF	<u>483,101</u>	<u>462,148</u>	<u>128,209</u>	<u>104,394</u>
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13 Creditors

a) **Creditors falling due within one year**

Baptist Union Loan	16,980	33,981	16,980	33,981
Holding funds	390,610	274,735	-	-
Other creditors	2,043	871	1,644	796
Accruals and deferred income	20,696	23,043	16,068	20,111
	<u>430,329</u>	<u>332,630</u>	<u>34,692</u>	<u>54,888</u>

b) **Creditors falling due after more than one year**

Baptist Union Loan	<u>71,811</u>	<u>427,843</u>	<u>71,811</u>	<u>427,843</u>
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South West Baptist Association
(Limited by Guarantee)

Notes to the Financial Statements

Year Ended 31 December 2009

14 Designated Funds – Charity and Group

	Balance 01.01.09	Incoming (Resources Resources	(Resources Expended)	Transfers In/(out)	Recognised Gain/(Loss)	Balance 31.12.09
	£	£	£	£	£	£
Tangible Fixed Asset Fund:						
Cost	438,266	-	(14,501)	483,554	-	907,319
Revaluation	-	-	-	(98,550)	(25,100)	(123,650)
Investment Fixed Asset Fund:						
Cost	622,085	-	(3,504)	87,421	(134,517)	571,485
Revaluation	-	-	-	(179,338)	199,685	20,347
Investment Property Fund	382,000	2,402		(312,402)	(18,000)	54,000
Future Grant Commitment Fund	144,600	-	(18,850)	(7,000)	-	118,750
Specific Fund for Newton Abbot	-	356,825	(2,953)	-	-	353,872
	<u>1,586,951</u>	<u>359,227</u>	<u>(39,808)</u>	<u>(26,315)</u>	<u>22,068</u>	<u>1,902,123</u>

Tangible Fixed Asset Fund

This represents the value of the Association's funds that are held in the form of tangible fixed assets, net of any borrowings directly for the purpose of purchasing fixed assets, and that are therefore not freely available to spend. Included within this fund is a revaluation reserve representing the difference between the historic cost and the revalued amount.

Investment Fixed Asset Fund

This represents funds set aside by the Trustees as a medium to long term investment, in order that there is a dividend and interest revenue stream, designed to part fund on-going routine expenditure. Included within this fund is a revaluation reserve representing the difference between the historic cost and the revalued amount.

Investment Property Fund

This represents the value of the Association's funds that are held in the form of investment properties and that are therefore not freely available to spend. This excludes the Newton Abbot closed chapel which is included in a separate specific designated fund.

Future Grant Commitment Fund

In furtherance of the charity's objects, the Trustees agreed to various grants to be paid over the following years. This fund represents the total of these commitments.

Specific Fund for Newton Abbot

This represents the value of the assets transferred to the SWBA upon the closure of Newton Abbot Baptist Church minus any expenditure connected with this cause. The fund has been designated for a term of three years for a church planting project in Newton Abbot.

15 Commitments – Charity and Group

2009
£

2008
£

At 31 December 2009, the Association had commitments as follows:

Annual commitments under non-cancellable operating leases
for equipment which expire:

In two to five years

972

994

Commitments in respect of grants approved which have not been
accrued in the financial statements but will form part of grants:

Within the year

26,917

63,184

Between one and five years

91,833

81,416

118,750

144,600

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Notes to the Financial Statements

Year Ended 31 December 2009

15 **Commitments** *(continued)*

	2009 £	2008 £
Reconciliation of movement in the year		
Estimated commitment at 1 January 2009	144,600	-
Less: paid within the year ended 31 December 2009	(18,850)	-
Grants withdrawn before payment	(23,000)	
 Add: estimated commitments arising in the year ended 31 December 2009	 16,000	 144,600
	<u>118,750</u>	<u>144,600</u>

16 **Related Party Transactions**

During the year only the Association undertook transactions with related parties. These were as follows:

a) Transfer from South West Baptist Association

On 10 July 2008 all assets and liabilities were transferred from the previously excepted charity also known as South West Baptist Association. The net value of the assets and liabilities transferred was £1,828,156.

b) Baptist Union

The Association is a member of the Baptist Union of Great Britain and is in receipt of a core grant from the Baptist Home Mission Fund as shown in the Incoming Resources amounting to £99,438 (2008: £48,083). The Baptist Union also provided the use of a manse (to the Association) the benefit of which is estimated to be £5,750 (2008: £2,649) during the year. The SWBA paid £320 (2008: nil) in subscriptions to the Baptist Union during 2009.

The Baptist Union has made three loans to SWBA. At 31 December 2009 the balance on the SWBA loan was £88,791 (2008: £198,951), the Salcombe Manse loan was £Nil (2008: £174,740) and the Chudleigh Manse loan was £Nil (2008: £88,133). Interest has been charged on these loans at variable rates of between 3.5% and 7.3%; the interest charged in the year ended 31 December 2009 totalled £11,971 (2008: £17,036).

c) Baptist Churches

Baptist Churches in the South West are in most cases members of the Association. Note 6 provides details of grants made to these churches. In addition, loans have been made to Churches and at 31 December 2009 the balance outstanding was £39,450 (2008: £32,700). Repayments during the period from Churches in respect of outstanding loans were £7,750 (2008: £4,200).

d) South West Pastoral Fund

This fund is administered by the Regional Minister and the Regional Administrator for SWBA, although there were no financial transactions between SWBA and the Pastoral Fund. The opening balance for the year was £960. Donations of £9,160 and bank interest of £3 were received during the year and benevolent payments of £9,331 were made. The balance at 31 December 2009 was £792.

South West Baptist Association

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Notes to the Financial Statements

Year Ended 31 December 2009

17 Pensions

The Association is an employer of two pension schemes known as the Baptist Union Staff Pension Scheme ("the Staff Scheme") and the Baptist Ministers' Pension Scheme ("the Ministers' Scheme").

Employees are eligible to join the appropriate Scheme, which are both multi-employer defined benefit schemes which are funded and not contracted out of the state scheme.

The main benefit provided by the Staff Scheme is a pension of one seventieth of the average salary over the last three years of employment. From 1 January 2009 employees pay 8% of their salary, and the employer pays the balance of the necessary contribution, currently 17.1%. The scheme started in 1969. A formal valuation was performed at 1 January 2008 by a professionally qualified Actuary using the Projected Unit Method. The market value of the Scheme's assets at the valuation date was £5,797,000.

The main benefit provided by the Ministers' Scheme is a pension of one eightieth of final Minimum Pensionable Income for each year of service together with additional pension in respect of premiums paid on Pensionable Income in excess of Minimum Pensionable Income. From 1 January 2009 Ministers pay 8% of their Pensionable Income and the employer pays 16%. The Scheme started in 1925. A formal valuation was performed at 31 December 2007 by a professionally qualified Actuary using the Projected Unit Method. The market value of the Scheme's assets at the valuation date was £119,486,000.

As there are a number of contributing employers to the scheme, the Association is unable to identify its share of the underlying assets and liabilities of the schemes.

Due to the nature of the schemes, the profit and loss charge for the period represents the employer contributions payable. The total pension cost for the Association is £10,647 (£2008: £5,191)).

The financial assumptions underlying the valuations were as follows:

	Staff	Ministers
Discount rate pre retirement	7.00%	7.00%
Discount rate post retirement	5.00%	5.00%
Rate of price inflation	3.40%	3.40%
Rate of revaluation on deferred pensions	3.40%	3.40%
Rate of pension increases on benefits accrued to 5 April 2006	3.40%	3.40%
Rate of pension increases on benefits accrued after 5 April 2006	2.40%	2.40%

The valuation of the staff scheme revealed a deficit of assets compared with the value of liabilities of £387,000 (equivalent to a past service funding level of 94%). The employer's ongoing future service contribution rate, to include eliminating the deficit, was assessed at 17.1% of pensionable salaries.

The valuation of the Ministers' scheme revealed a deficit of assets compared with the value of liabilities of £17,826,000 (equivalent to past service funding level of 87%). The employer's ongoing service contribution rate, to include eliminating the deficit, was assessed at 16% of pensionable income.

The next actuarial valuation of the Ministers' Scheme will be as at 31 December 2010 and the next valuation of the Staff Scheme will be as at 1 January 2011.

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Notes to the Financial Statements

Year Ended 31 December 2009

18 Contingent Liability

The Baptist Union have allowed £89,097 of its share of the proceeds from the sale of Metherell to be made available to enable a manse to be purchased at Sherford, Devon, a new town development. This sum will be invested in the property. In the event that a manse at Sherford is not required, £89,097 would be repayable to the Baptist Union.

The Baptist Union have also allowed 100% of its share of the assets inherited during the year from the church at Newton Abbot to be retained by SWBA, in order to facilitate a church planting project in Newton Abbot. In the event that the church planting project does not take place within 3 years from the closure of the original church, £155,000 would be repayable to the Baptist Union.

**19 Funds held by South West Baptist Trust Corporation on behalf of others
- Movement of Trust Funds**

	2009	2008
	£	£
Investment income received	-	57,411
Realised loss on investments	-	(118,316)
Deficit reimbursed by South West Baptist Trust Corporation	-	127,777
	<u> </u>	<u> </u>
Net income for year	-	66,872
	<u> </u>	<u> </u>
Interest paid by South West Baptist Trust Corporation	995	-
New deposits	126,507	300,539
Withdrawn in year	(11,627)	(2,968,302)
	<u> </u>	<u> </u>
Net movements in year	115,875	(2,600,891)
	<u> </u>	<u> </u>
Balance at 1 January 2009	274,735	2,875,626
	<u> </u>	<u> </u>
Total Funds held at 31 December 2009	390,610	274,735
	<u> </u>	<u> </u>

**20 Funds held by South West Baptist Trust Corporation on behalf of others
- Balance Sheet**

	2009	2008
	£	£
Current Assets:		
Cash at Banks (Deposit Accounts)	390,610	274,735
	<u> </u>	<u> </u>
Total Assets	390,610	274,735
	<u> </u>	<u> </u>
Represented by:		
Accumulated Trust Balances	390,610	274,735
	<u> </u>	<u> </u>
	390,610	274,735
	<u> </u>	<u> </u>

The Accumulated Trust Balances comprise the capital monies held on behalf of approximately 10 trusts.