

# South West Baptist Association

## Annual Report

Year Ended 31 December 2010



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 2010

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# South West Baptist Association

(Limited by Guarantee)

Reference and Administrative Details

Year Ended 31 December 2010

## 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	Mr M A Law (Chair, appointed 02.05.10)
Revd A Bailyes (appointed 02.05.10)	Mr K R Lawson
Revd C P Blizzard	Revd A J Littlejohn
Revd J T Brown	Mr C P Merriman
Revd G C Graham	Revd M Reddaway (interim appointment pending AGM 2011)
Mr P M Hindle (resigned 02.05.10)	Mrs C Wooding
Revd M R Hornsby	

### Senior Members of staff

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

The other Senior Staff member is Mrs Christine Wooding, Deputy Team Leader.

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

### Principal Advisors

#### Legal Advisors

Clarke Willmott  
Blackbrook Gate  
Blackbrook Park Avenue  
Taunton  
TA1 2PG

WBW Solicitors incorporating Silverthorne Colthorpe  
County Chambers  
75 Queen Street  
Exeter  
EX4 3RX

#### Bankers

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

#### Auditors

Francis Clark LLP  
Sigma House  
Oak View Close  
Edginswell Park  
Torquay, TQ2 7FF

#### Insurance Advisor

Fidelius  
1 Emperor Way  
Exeter Business Park  
Exeter  
EX1 3QS

#### Investment Advisor

Irvine Financial Services Ltd  
Bridgewater House  
The Square  
Barnstaple  
EX32 8LS

# **South West Baptist Association**

## **(Limited by Guarantee)**

### **Trustees' Report**

The Trustees submit their report and the audited financial statements for the period ended 31 December 2010. 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**

#### **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 Deputy Team Leader 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 – appointed 02.05.10.

Malcolm Reddaway – interim appointment pending AGM 2011.

Malcolm Reddaway was appointed in an interim capacity as "Church Planting & Mission Coordinator" in July 2010. His name will be taken as a formal nomination to the AGM in 2011 for official appointment for a three year term.

Until the AGM on 2 May 2010, Michael Law also served as an additionally elected Trustee. At the AGM on 2 May 2010 Michael Law was appointed as Chair of the Board, 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.

# **South West Baptist Association**

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## Trustees' Report

At December 2010 the Board's sub-committees were:

Appointments Group  
Finance Committee  
Home Mission Committee  
Ministry Task Group  
Personnel Committee  
Property Committee

Day-to-day running of the Association is delegated to the Regional Minister/Team Leader 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 July 2010.

## **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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## Trustees' Report

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 2010**

Specific to 2010:

- continue to carefully monitor finances and staffing; continue to develop strategies for new ways of working and delivering high standards of service to our users (1)
- review key trustee roles which are due for re-appointment – review and update role descriptions and initiate recruitment process (2)
- seek ways to positively affirm the role of women in church leadership (3)
- continue to develop a church planting strategy, seeking to establish new or replanted projects (4)
- review all assets and consider strategy for future use (5)

Ongoing:

- To continue our wide-ranging work amongst Association churches, supporting and resourcing through the services of the Association staff and volunteers (6)
- To continue our involvement in a range of projects with ecumenical partners (7)
- To provide a range of inspirational, challenging and informative events to encourage, resource and equip our churches and ministers (8)
- To continue to build a sense of wider community amongst the Association churches (9)

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## Trustees' Report

### **Strategies for achieving these objectives**

- Finances to be carefully monitored throughout the year (1)
- Changes in working practices to be consolidated and bedded down, particularly the use of key volunteers to undertake particular tasks e.g. District Ministers (1)
- A new 'Ministry Task Group' to be established as a working group on all matters pertaining to general ministry, to be chaired by a Trustee Ministry Coordinator (1)
- A Trustee with responsibility for Mission & Church Planting to be appointed, role description drawn up (1)
- Role descriptions for other Trustees with particular responsibilities/portfolios to be drawn up (2)
- Relationship with and status of Trust Corporation to be reviewed, explore possibilities such as amalgamation or working with other bodies to ascertain whether this would be of benefit (1)
- Role descriptions for Chair of the Board and Honorary Treasurer to be reviewed and updated. These roles to be advertised at the appropriate time and recruitment process put in place (2)
- Working group to continue their work in planning an event to encourage and empower women in our churches with leadership gifts. This group to report to the newly formed Ministry Task Group, who will oversee this piece of work on behalf of the Trustees (3)
- Seek to make a full-time appointment of a church planter for Newton Abbot and to get this project underway (4)
- Continue to assist the existing church at St Budeaux, Plymouth to seek to appoint a full-time minister with a view to reviving work in this area (4)
- Continue to consider other possibilities for church planting around the SWBA area as they arise (4)
- Report to be drawn up listing all current property assets, their estimated values and current usage. Policy regarding future use of each asset to be formulated (5)

### **Association Grants**

No funds were available for grants during 2010, so the Trustees agreed that no new applications should be processed. Where a longer term grant had previously been agreed, 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
- Serving as District Ministers offering pastoral support to ministers in their area
- Serving in Coordinator roles, overseeing a particular area of work

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 2010 as shown above)

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## Trustees' Report

### **Ongoing Review and Monitoring of Finances and Working Practices (1)**

The Board continued to monitor carefully the financial position and were pleased to note a much improved position on the previous year. A significant amount of progress had been made by the end of 2009 to find new ways forward following the staff redundancies of that year; 2010 saw the continued implementation of these plans and strategies.

A group of District Ministers had been formed, and as the year progressed began to establish their role as one of importance within their District. Early feedback was good and responses positive. The District Ministers meet three or four times a year with the Regional Minister/Team Leader, and towards the end of 2010 agreed that the name should be changed to 'Network Ministers' which better reflects the structures they are serving.

A Ministry Coordinator was appointed and joined the Board in January 2010 as an interim appointment, confirmed at the AGM in May. A new Ministry Task Group also met for the first time in January, and during the course of the year was able to undertake some important work in commencing a long-overdue review of the Association's Ministerial Recognition procedures.

It was agreed that a Trustee Coordinator for Church Planting & Mission should also be appointed; this appointment was made in July on an interim basis, to be confirmed at the AGM in 2011.

Role descriptions for all Trustee Coordinator roles were drawn up and approved by the Board, recognising the importance of clarity of responsibilities and expectations.

Updated job descriptions for the Senior Staff were agreed, including a change in role title for the Regional Administrator to Deputy Team Leader. It was noted that the Deputy Team Leader will continue to fulfil the function of the Regional Administrator, but the new title better reflects the wider scope of the responsibilities and duties now undertaken.

A piece of work examining the relationship between the Association and the Trust Corporation was initiated, in particular to investigate the possibility of making any financial savings and/or improved working practices if the two were amalgamated into one company. This piece of work is still ongoing, awaiting further advice from our legal advisors, and will remain an agenda item in 2011.

The Association's Finance Committee undertook a review of Investment Managers in the early part of 2010, and made a decision, ratified by the Board in March, to change from Williams de Broe to Irvine Financial Services.

### **Review of Key Trustee Roles in Preparation for Making New Appointments (2)**

The term of the Chair of the Board came to an end at the 2010 AGM. At the start of the year, in preparation for this, the role description for the Chair was reviewed and updated by the Board, and the role was then advertised and applications invited. Interviews were held, and as a result of this, one name - Mr Michael Law - was taken to the AGM as the Interview Group's nomination for Chair. Mr Law was appointed by the AGM for a three-year term as Chair.

The term of the Honorary Treasurer is due to come to an end at the 2011 AGM. In preparation for this, the role description for the Honorary Treasurer was reviewed and updated by the Board towards the end of 2010, and the role will be advertised early in 2011, and applications invited. Interviews will be held, and one name taken to the AGM as the Interview Group's nomination for Honorary Treasurer.

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### **Positively Affirming the Role of Women in Church Leadership (3)**

Work in this area had begun in 2009 and continued to make good progress in 2010. The Working Group is planning an event for May 2011 which will aim to both affirm and encourage women already serving in leadership roles, and to encourage and inspire women who may have the potential for such leadership roles in the future. This work is warmly affirmed by the Ministry Task Group, recognising that as a denomination Baptists affirm women in all areas of life and ministry, and that the best way to increase the numbers of women for the south west candidating for ministry in the future is to encourage and empower women in leadership roles at all levels. A session to assist ministers to understand the issues faced by women is also planned.

### **Church Planting (4)**

A paper was prepared by the Deputy Team Leader setting out some proposed structure and protocols for how Association church planting projects might be established and operate, their accountability structures and how they would relate to the Association and Board. This was approved as general guidance, noting that every situation will be different so some flexibility will always be required.

The Association's first church planting project got off the ground in Newton Abbot. Interviews were held in January and a full-time church planter appointed, to commence in September. A good deal of preparatory work was done in terms of establishing a basis for the project and worker to operate, and in preparing the manse for the family to move in. A Local Steering and Accountability Group has been formed, and now meets regularly with the worker to oversee and help steer the work.

A re-planting project got underway in Broadclyst. Broadclyst Baptist Church was brought to a close, and SWBA is now working with a Local Steering and Accountability Group and a part-time worker to seek to plant a new church in this village.

A re-planting project also got underway at St Budeaux Baptist Church, Plymouth. A full time minister has been appointed, with financial assistance from SWBA using funds from a previously closed church elsewhere in Plymouth, with the aim of seeking to re-start a vibrant Christian presence in that community.

The Board considered a number of other church planting or replanting opportunities during the year, each having been initially explored by the Regional Minister. These included the Isles of Scilly, Beaminster, and two potential partnership projects with the Methodists in Cornwall. These remain ongoing pieces of work into 2011.

### **General Review of Assets (5)**

A report entitled "Keeping the Main Thing the Main Thing" was prepared by the Regional Minister, reviewing the Association's various property assets and their current usage. The Trustees recognised that the current usage of some of the properties was not 'core' to our activities and purposes, and a number of decisions were made in due course as to the future sale or retention of these properties. This work is still ongoing into 2011.

### **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 thicket! In particular staff worked directly with a number of churches to assist them in issues relating to facing a pastoral vacancy and finding their focus for the future. (6)

The Trustees were frustrated that the Sherford church planting project is unable to make any further progress until confirmation is received from developers as to timing of the commencement of works. No indication whatever has been given at this point. An application for Home Mission funding for the project was made and approved at a half stipend level, but this too can proceed no further until building begins.

The Regional Minister has built relationships significantly with the Methodist denomination in Cornwall, and it seems there may be a number of joint and partnership projects in the offing. (7)

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### **Services Provided**

SWBA continued during 2010 to provide a wide range of services to our churches and their leaders, including: (8 & 9)

- 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

### **SWBA Events during 2010 (8 & 9)**

Our Ministers' Conference met in March at Sidholme in Sidmouth

The Association AGM and Annual Assembly was held on 2 May at Catherine Street Baptist Church, Plymouth. We were also delighted to welcome the national Baptist Assembly to Plymouth, and a number of volunteers from our Plymouth churches worked with the Deputy Team Leader to help facilitate this event.

### **Review of activities undertaken by Subsidiaries**

At 31<sup>st</sup> December 2010, the South West Baptist Trust Corporation had a total of 72 active files of church projects or matters in which the Corporation is involved. At 31<sup>st</sup> December 2009 the number of active files was 64. During the period 1<sup>st</sup> January – 31<sup>st</sup> December 2010, a total of 8 active files were successfully completed and closed, or set aside as inactive. 16 files were also opened for new issues.

Completed jobs in 2010 include files for a wide variety of issues such as manses transactions, changes of plans by churches 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.

2010 saw ongoing developments with churches wishing to change or redevelop their premises, including listed ones, and progress towards the sale of a number of redundant buildings.

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 £2,206,938.

There are three categories of designated funds held:-

▪ Tangible FA Fund	£154,952	Not freely available to be spent
▪ Mission Property FA Fund	£1,218,233	Not freely available to be spent
▪ Future Mission Designated Fund	£773,772	Set aside for future identified mission work

The remaining reserves of £25,466 are unrestricted general funds; £59,981 is held by SWBA and is used as the working capital of the charitable company, a deficit of £36,220 relates to SWBTC and funds of £1,705 are held by Kingdom Developments Limited.

#### Any fund materially in deficit

There were no funds materially in deficit in 2010 for SWBA.

The deficit of unrestricted reserves relating to SWBTC, arose because of realised losses on investments due to the economic downturn. Income in 2010 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 made a change of investment advisor in 2010 to Irvine Financial Services and intend that the real value of their assets be maintained and enhanced over the long term by investment in a series of funds or collectives. This is administered via a platform provided by Standard Life. No investments are made directly in equities.

Irvine Financial Services will manage a collection of suitable investments via fund managers. Reviews will take place with Irvine Financial Services during Finance Committee meetings, along with monthly meetings with the treasurer. An ethical investment policy is in place and monitored by the investment advisors.

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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 2011 and beyond.

Specific objectives for 2011:

- Continue to keep financial position under review, particularly now with an eye to the national discussion in the denomination about potential changes to how Associations are funded. Respond to such consultations and changes as arise, and if appropriate begin devising new vision and strategies for the next few years.
- Continue to keep staff, trustee and volunteer roles under active review, always seeking ways to improve both the breadth and the quality of service offered to users
- Put maximum support behind the planned event to affirm the role of women in church leadership and any related preparation and follow-up
- Continue to monitor the 'health' of our churches and seek to work with particular churches as strategic needs arise
- Continue to develop and oversee the church planting and replanting work in Newton Abbot, Broadclyst and elsewhere, noting lessons learned that can be helpfully applied to future projects
- Continue to consider other opportunities for church planting and replanting around the south west
- Undertake a review of Local/Regional Recognition of Ministry, including consultation with churches as appropriate
- Continue to monitor use of assets, and explore possibilities of using assets differently in the future, to maximise opportunities for ministry and mission

### **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 any material departures disclosed and explained in the financial statements; and

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- 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.

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.

Mr M Law  
Chair of Trustees

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

Year Ended 31 December 2010

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 2010 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. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Corporation'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 charitable company 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**

As explained more fully in the Trustees' Responsibilities Statement set out on pages 11 and 12, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion**

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 December 2010 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 1993.

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

Year Ended 31 December 2010

**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given by the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Act 1993 requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Trustees' Annual Report.

**Christopher Hicks (Senior Statutory Auditor)**

**For and on behalf of**

**FRANCIS CLARK LLP**

Chartered Accountants and Statutory Auditor

Sigma House

Oak View Close

Edginswell Park

Torquay

TQ2 7FF

25 May 2011

**South West Baptist Association**  
(Limited by Guarantee)

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

Year Ended 31 December 2010

	Notes	Total Unrestricted Funds 2010 £	Total Unrestricted Funds (as restated) 2009 £
<b>Incoming Resources</b>			
<b>Incoming Resources from Generated Funds</b>			
Voluntary Income:			
Baptist Union – Home Mission grant		101,340	99,437
Closed chapels		373,848	356,825
Activities for generating funds:			
Investment income	3	17,654	18,266
<b>Incoming resources from charitable activities</b>	4	<b>17,496</b>	41,327
Total incoming resources		<b>510,338</b>	515,855
<b>Resources Expended</b>			
Costs of generating funds	5	6,524	15,550
Charitable activities	5	167,471	163,240
Governance costs	5	40,368	53,144
Total resources expended		<b>214,363</b>	231,934
<b>Net incoming resources before other recognised losses</b>		<b>295,975</b>	283,921
<b>Other recognised gains/(losses)</b>			
Gain/(loss) on revaluation of fixed assets for charity's own use	8,9,14	17,940	(43,100)
Net realised and unrealised gain on Investment assets	9	40,429	65,168
Net movements in funds		<b>354,344</b>	305,989
Total funds at 31 December 2009 (as restated)		<b>1,818,079</b>	1,512,090
<b>Total funds at 31 December 2010</b>		<b>2,172,423</b>	1,818,079

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 2010

	Notes	Total Unrestricted Funds 2010 £	Total Unrestricted Funds (as restated) 2009 £
<b>Incoming Resources</b>			
<b>Incoming Resources from Generated Funds</b>			
Voluntary Income:			
Baptist Union – Home Mission grant		101,340	99,437
Closed chapels		373,848	356,825
Activities for generating funds:			
Investment income	3	17,654	18,266
<b>Incoming resources from charitable activities</b>	4	<b>5,922</b>	18,147
Total incoming resources		<b>498,764</b>	492,675
<b>Resources Expended</b>			
Costs of generating funds	5	6,461	15,550
Charitable activities	5	167,249	162,141
Governance costs	5	35,474	48,187
Total resources expended		<b>209,184</b>	225,878
<b>Net incoming resources before other recognised losses</b>		<b>289,580</b>	266,797
<b>Other recognised gains/(losses)</b>			
Gain/(loss) on revaluation of fixed assets for charity's own use	8,9,14	17,940	(43,100)
Net realised and unrealised gain on Investment assets	9	40,429	65,168
Net movements in funds		<b>347,949</b>	288,865
Total funds at 31 December 2009 (as restated)		<b>1,858,989</b>	1,570,124
<b>Total funds at 31 December 2010</b>		<b>2,206,938</b>	1,858,989

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 2010

	Notes	2010 £	2009 (as restated) £
<b>Fixed Assets</b>			
Tangible fixed assets	8	1,214,952	742,460
Investments	9	709,354	683,749
		<u>1,924,306</u>	<u>1,426,209</u>
<b>Current assets</b>			
Investments	9	232,940	364,000
Debtors	11	233,290	46,909
Bank and cash in hand	12	198,116	483,101
		<u>664,346</u>	<u>894,010</u>
<b>Creditors - Amounts falling due within one year</b>	13a	<u>(261,657)</u>	<u>(430,329)</u>
<b>Net current assets</b>		<u>402,689</u>	<u>463,681</u>
<b>Total assets less current liabilities</b>		<u>2,326,995</u>	<u>1,889,890</u>
<b>Creditors - Amounts falling due after more than one year</b>	13b	<u>(154,572)</u>	<u>(71,811)</u>
<b>Net assets</b>		<u>2,172,423</u>	<u>1,818,079</u>
The funds of the charity:			
Designated funds	14	2,146,957	1,772,123
Unrestricted funds		23,761	43,565
Non charitable trading funds		1,705	2,391
<b>Total charity funds</b>		<u>2,172,423</u>	<u>1,818,079</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 25 May 2011 and signed on its behalf by

.....  
Mr M Law  
Chair of Trustees

Company Registration Number: 6501705

**South West Baptist Association**  
(Limited by Guarantee)

Balance Sheet - Charity

Year Ended 31 December 2010

	Notes	2010 £	2009 (as restated) £
<b>Fixed Assets</b>			
Tangible fixed assets	8	1,214,952	742,460
Investments	9	709,354	683,749
		<u>1,924,306</u>	<u>1,426,209</u>
<b>Current assets</b>			
Investments	9	232,940	364,000
Debtors	11	222,721	47,074
Bank and cash in hand	12	71,123	128,209
		<u>526,784</u>	<u>539,283</u>
<b>Creditors</b> - Amounts falling due within one year	13a	<u>(89,580)</u>	<u>(34,692)</u>
<b>Net current assets</b>		<u>437,204</u>	<u>504,591</u>
<b>Total assets less current liabilities</b>		<u>2,361,510</u>	<u>1,930,800</u>
<b>Creditors</b> - Amounts falling due after more than one year	13b	<u>(154,572)</u>	<u>(71,811)</u>
<b>Net assets</b>		<u>2,206,938</u>	<u>1,858,989</u>
The funds of the charity:			
Designated funds	14	2,146,957	1,772,123
Unrestricted funds		59,981	86,866
<b>Total charity funds</b>		<u>2,206,938</u>	<u>1,858,989</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 25 May 2011 and signed on its behalf by

.....  
Mr M Law  
Chair of Trustees

Company Registration Number: 6501705

# South West Baptist Association

(Limited by Guarantee)

## Notes and Accounting Policies

Year Ended 31 December 2010

### 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 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.

- (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 standard 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. However, if more work is required the commission may be charged at a higher rate. 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: The Trustees have adopted a policy of revaluing freehold property to actual market value at each balance sheet date. Consequently freehold property is not depreciated as any charge would be matched by an unrealised gain in the Statement of Financial Activities. The Trustees believe that the policy adopted assists the users of the accounts to understand the charity's financial position. Fixtures, fittings and equipment, and motor vehicles, with a cost of over £100, are capitalised at cost and depreciated over four years on a straight line basis.

# South West Baptist Association

(Limited by Guarantee)

## Notes and Accounting Policies

Year Ended 31 December 2010

### 1 Accounting Policies *(continued)*

(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.

(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 2009 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 2010, the interest paid was 0.1% for the whole year.

(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

	<b>Group 2010</b>	<b>Group 2009</b>	<b>Charity 2010</b>	<b>Charity 2009</b>
	£	£	£	£
Dividends and Distribution	6,556	12,805	6,556	12,805
Bank interest	223	4,349	223	4,349
Memorial Loan Fund – thank-offerings in lieu of interest	500	500	500	500
Rental income	10,375	612	10,375	612
	<u>17,654</u>	<u>18,266</u>	<u>17,654</u>	<u>18,266</u>

### 4 Incoming Resources from Charitable Activities

	<b>Group 2010</b>	<b>Group 2009</b>	<b>Charity 2010</b>	<b>Charity 2009</b>
	£	£	£	£
Interest receivable	363	1,699	-	-
Property transactions	11,211	21,318	-	-
Assembly	1,447	1,000	1,447	1,000
Course and Publication	506	1,682	506	1,682
Year books	11	416	11	416
Preaching fees	1,978	2,281	1,978	2,281
Other	1,980	12,931	1,980	12,768
	<u>17,496</u>	<u>41,327</u>	<u>5,922</u>	<u>18,147</u>

**South West Baptist Association**  
(Limited by Guarantee)

Notes and Accounting Policies

Year Ended 31 December 2010

**5 Resources Expended - Group**

	Basis of Allocation	Charitable Activities				Total 2010 £	Total 2009 £
		Costs of Generating Funds £	Grants (Note 6) £	Provision of Advice £	Governance £		
Grants payable	Direct	-	18,882	-	-	<b>18,882</b>	24,780
Travel expenses	Direct	-	-	1,158	2,316	<b>3,474</b>	2,288
Investment Manager Fees	Direct	3,516	-	-	-	<b>3,516</b>	3,504
Loan Interest Payable	Direct	2,896	-	-	-	<b>2,896</b>	11,971
Bank Charges	Direct	112	-	40	-	<b>152</b>	179
Depreciation	Direct	-	-	4,521	-	<b>4,521</b>	2,530
Loss on disposal of assets	Direct	-	-	154	-	<b>154</b>	-
Ministers	Direct	-	-	7,061	-	<b>7,061</b>	-
Property costs	Direct	-	-	48,723	-	<b>48,723</b>	10,918
Costs of meetings	Direct	-	-	-	3,172	<b>3,172</b>	3,429
Auditors' remuneration – audit	Direct	-	-	-	10,135	<b>10,135</b>	13,448
Professional Fees	Direct	-	-	-	2,926	<b>2,926</b>	4,755
Trustee costs	Direct	-	-	-	818	<b>818</b>	847
Church advice and support	Direct	-	-	182	-	<b>182</b>	995
<b>Support Costs:</b>							
General office staff	Staff time	-	-	38,157	12,719	<b>50,876</b>	71,983
Ministers	Ministers' time	-	-	41,558	5,937	<b>47,495</b>	71,463
Office expenses	Staff time	-	-	1,728	576	<b>2,304</b>	1,436
Printing, stationery, postage and phone	Staff time	-	-	4,147	1,382	<b>5,529</b>	6,179
Assembly costs	Staff time	-	-	1,160	387	<b>1,547</b>	1,229
		<u>6,524</u>	<u>18,882</u>	<u>148,589</u>	<u>40,368</u>	<u><b>214,363</b></u>	<u>231,934</u>
Analysed between:							
Unrestricted designated funds		2,896	13,867	52,747	-	<b>69,510</b>	39,808
Unrestricted general funds		3,628	5,015	95,842	40,368	<b>144,853</b>	192,126
		<u>6,524</u>	<u>18,882</u>	<u>148,589</u>	<u>40,368</u>	<u><b>214,363</b></u>	<u>231,934</u>

**South West Baptist Association**  
(Limited by Guarantee)

Notes and Accounting Policies

Year Ended 31 December 2010

**5 Resources Expended - Charity**

		Charitable Activities				Total	Total
	Basis of Allocation	Costs of Generating Funds	Grants (Note 6)	Provision of Advice	Governance	2010	2009
		£	£	£	£	£	£
Grants payable	Direct	-	18,882	-	-	<b>18,882</b>	24,780
Travel expenses	Direct	-	-	1,158	2,316	<b>3,474</b>	2,288
Investment Manager Fees	Direct	3,516	-	-	-	<b>3,516</b>	3,504
Loan Interest Payable	Direct	2,896	-	-	-	<b>2,896</b>	11,971
Bank Charges	Direct	49	-	-	-	<b>49</b>	75
Depreciation	Direct	-	-	4,521	-	<b>4,521</b>	2,530
Loss on disposal of asset	Direct	-	-	154	-	<b>154</b>	-
Ministers	Direct	-	-	7,061	-	<b>7,061</b>	-
Property costs	Direct	-	-	48,723	-	<b>48,723</b>	10,918
Costs of meetings	Direct	-	-	-	3,172	<b>3,172</b>	3,429
Auditors' remuneration – audit	Direct	-	-	-	5,875	<b>5,875</b>	9,174
Professional Fees	Direct	-	-	-	2,659	<b>2,659</b>	4,439
Trustee costs	Direct	-	-	-	451	<b>451</b>	480
<b>Support Costs:</b>							
General office staff	Staff time	-	-	38,157	12,719	<b>50,876</b>	71,983
Ministers	Ministers' time	-	-	41,558	5,937	<b>47,495</b>	71,463
Office expenses	Staff time	-	-	1,728	576	<b>2,304</b>	1,436
Printing, stationery, postage and phone	Staff time	-	-	4,147	1,382	<b>5,529</b>	6,179
Assembly costs	Staff time	-	-	1,160	387	<b>1,547</b>	1,229
		<u>6,461</u>	<u>18,882</u>	<u>148,367</u>	<u>35,474</u>	<u><b>209,184</b></u>	<u>225,878</u>
Analysed between:							
Unrestricted designated funds		2,896	13,867	52,747	-	<b>69,510</b>	39,808
Unrestricted general funds		3,565	5,015	95,620	35,474	<b>139,674</b>	186,070
		<u>6,461</u>	<u>18,882</u>	<u>148,367</u>	<u>35,474</u>	<u><b>209,184</b></u>	<u>225,878</u>

**South West Baptist Association**  
(Limited by Guarantee)

Notes and Accounting Policies

Year Ended 31 December 2010

**6 Grants Payable – Group and Charity**

	Evangelism/ Outreach £	Post Grad Study/ Research £	Work of Church £	Total 2010 £	Total 2009 £
<b>Grants to Institutions:</b>					
Fivehead BC	750	-	-	750	750
Falmouth (Emmanuel) BC	-	-	-	-	1,500
Taunton, Halcon BC	-	-	-	-	(17,000)
Abbotsham BC	-	-	-	-	3,600
Teenbridge Project	-	-	-	-	500
Rural Expression	-	-	-	-	5,000
Saltash BC	-	-	-	-	2,000
Hooe BC	-	-	1,000	1,000	1,000
Christians together in Devon & Cornwall	-	-	1,750	1,750	2,198
Bath West & Devon County Shows	-	-	100	100	500
Torquay, Willows	-	-	-	-	2,000
Salcombe BC	-	-	4,000	4,000	4,000
Roselands BC	-	-	-	-	4,500
Christian Resources Project	-	-	-	-	3,000
Christians together in Somerset & Dorset	-	-	487	487	412
Kingscott Graveyard	-	-	350	350	350
Brayford Graveyard	-	-	-	-	8,000
Baptist Union Subscriptions	-	-	328	328	320
Clarion Trust International	-	-	-	-	250
Retired Ministers	-	-	1,000	1,000	1,000
St Budeaux	-	-	8,117	8,117	-
	<u>750</u>	<u>-</u>	<u>17,132</u>	<u>17,882</u>	<u>23,880</u>
<b>Grants to individuals:</b>					
Missionaries and students	-	1,000	-	1,000	900
	<u>-</u>	<u>1,000</u>	<u>-</u>	<u>1,000</u>	<u>900</u>
Total grants	<u>750</u>	<u>1,000</u>	<u>17,132</u>	<u>18,882</u>	<u>24,780</u>

**South West Baptist Association**  
(Limited by Guarantee)

Notes and Accounting Policies

Year Ended 31 December 2010

<b>7 Staff Costs – Group and Charity</b>	<b>Total Unrestricted Funds 2010 £</b>	<b>Total Unrestricted Funds 2009 £</b>
Wages and salaries	70,674	94,624
Social security costs	6,439	7,232
Other pension costs	9,237	10,647
	<u>86,350</u>	<u>112,503</u>

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

	<b>2010 Number</b>	<b>2009 Number</b>
Pastoral (full-time equivalent = 1)	1	1
Administration, premises, etc (full-time equivalent = 1.5)	2	3
	<u>3</u>	<u>4</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:

	<b>2010 £</b>	<b>2009 £</b>
Jeremy Brown	35,095	34,639
David Hewitt	-	10,907
Chris Wooding	29,431	29,050

Accommodation is provided to Jeremy Brown, together with his family, by the Association.

The sums are payable to Jeremy Brown 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	5,266	5,196
David Hewitt	-	1,528
Chris Wooding	3,971	3,923

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 £14,794 to 8 Trustees (2009: £15,706 to 12 Trustees).

**South West Baptist Association**  
(Limited by Guarantee)

Notes and Accounting Policies

Year Ended 31 December 2010

**8 Tangible Fixed Assets – Group and Charity**

	Freehold Property £	Fixtures, Fittings & Equipment £	Motor Vehicle £	Total £
<b>Cost/Valuation</b>				
At 31 December 2009 (as restated)	740,000	7,470	-	747,470
Additions	310,000	673	11,495	322,168
Disposals	-	(1,727)	-	(1,727)
Transfers from Current Assets	210,000	-	-	210,000
Transfers to Current Assets	(60,000)	-	-	(60,000)
Revaluation	5,000	-	-	5,000
<b>At 31 December 2010</b>	<b>1,205,000</b>	<b>6,416</b>	<b>11,495</b>	<b>1,222,911</b>
<b>Depreciation</b>				
At 31 December 2009	-	5,010	-	5,010
Charge for the period	-	1,647	2,874	4,521
Depreciation on Disposals	-	(1,572)	-	(1,572)
<b>At 31 December 2010</b>	<b>-</b>	<b>5,085</b>	<b>2,874</b>	<b>7,959</b>
<b>Net Book Value at 31 December 2010</b>	<b>1,205,000</b>	<b>1,331</b>	<b>8,621</b>	<b>1,214,952</b>
Net Book Value at 31 December 2009	870,000	2,460	-	872,460

The freehold properties were revalued by external valuers, Adrian Male Associates, chartered surveyors, on the basis of market value on 31 December 2010.

In respect of properties stated at valuations, the comparable historical cost and depreciation values are as follows:

	2010 £
<b>Historical cost:</b>	
At 1 January 2010 (as restated)	840,650
Additions	310,000
Transfer from current assets	210,000
Transfer to current assets	(90,000)
<b>At 31 December 2010</b>	<b>1,270,650</b>
<b>Depreciation:</b>	
At 1 January 2010 (as restated)	33,626
Charge for year	25,413
Transfer to current assets	(3,600)
<b>At 31 December 2010</b>	<b>55,439</b>
<b>Net historical cost value: At 31 December 2010</b>	<b>1,215,211</b>
At 1 January 2010	953,904

**South West Baptist Association**  
(Limited by Guarantee)

Notes and Accounting Policies

Year Ended 31 December 2010

**9 Investments – Group and Charity**

**Fixed Assets**

	2010 £	2009 £
<b>Listed on a recognised stock exchange:</b>		
Market value at 31 December 2009	645,154	534,518
Net investment withdrawals made in the year	(14,824)	(3,504)
Transfer from cash	30,854	48,972
Realised and unrealised gain on investments	40,429	65,168
	<hr/>	<hr/>
Market value at 31 December 2010	701,613	645,154
<b>UK cash held as part of the investment portfolio:</b>		
Balance at 31 December 2009	33,885	82,857
Transfers from listed investments	(30,854)	(48,972)
	<hr/>	<hr/>
Balance at 31 December 2010	3,031	33,885
<b>Other</b>		
Balance at 31 December 2009 and at 31 December 2010	4,710	4,710
	<hr/>	<hr/>
	<b>709,354</b>	<b>683,749</b>
	<hr/> <hr/>	<hr/> <hr/>

**Funds 2010  
Market Value  
£**

The investments held on 31 December 2010 were:

Listed Investment Portfolio – UK	546,205
Listed Investment Portfolio – outside the UK	155,408
Dealing account	3,031
Other investments	4,710
	<hr/>
	<b>709,354</b>
	<hr/> <hr/>

The portfolio with Irvines contains the following material investments:

	Market Value £
Fidelity SE Asia	78,041
First State Greater China Growth A GBP Acc	77,367
Jupiter Absolute Return	65,850
Standard Life Investments Global Absolute Return R Acc	69,695
Newton Real Return A	61,643
CF Miton Special Situations Portfolio A GBP	67,728
Invesco Perpetual Distribution R Acc	68,611
Jupiter Merlin Income Portfolio Acc	70,009
M&G Managed Growth A Acc GBP	73,604
Newton Balanced SIS	69,065

**South West Baptist Association**  
(Limited by Guarantee)

Notes and Accounting Policies

Year Ended 31 December 2010

9 **Investments** (continued)

<b>Current assets</b>	<b>2010</b>	<b>2009</b>
<b>UK Investment Property:</b>	<b>£</b>	<b>£</b>
Balance at 31 December 2009	<b>364,000</b>	382,000
Additions	<b>6,000</b>	310,000
Disposals	-	(310,000)
Transfers from Fixed Assets	<b>60,000</b>	-
Transfers to Fixed Assets	<b>(210,000)</b>	-
Revaluation	<b>12,940</b>	(18,000)
	<hr/>	<hr/>
Balance at 31 December 2010	<b>232,940</b>	364,000
	<hr/> <hr/>	<hr/> <hr/>

Investment properties have been valued by external valuers, Adrian Male Associates, chartered surveyors, on the basis of market value at 31 December 2010.

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.

The South West Baptist Trust Corporation had the following results:

	<b>Year ended</b>	<b>Year ended</b>
	<b>31 Dec 2010</b>	<b>31 Dec 2009</b>
	<b>£</b>	<b>£</b>
Total incoming resources	<b>11,574</b>	23,017
Total resources expended	<b>(4,493)</b>	(5,345)
Net movement in funds	<b>7,081</b>	17,672
	<hr/>	<hr/>
	<b>At</b>	<b>At</b>
	<b>31 Dec 2010</b>	<b>31 Dec 2009</b>
	<b>£</b>	<b>£</b>
Assets	<b>135,357</b>	352,163
Liabilities	<b>(171,577)</b>	(395,464)
Funds	<b>(36,220)</b>	(43,301)
	<hr/> <hr/>	<hr/> <hr/>

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.

**South West Baptist Association**  
(Limited by Guarantee)

Notes and Accounting Policies

Year Ended 31 December 2010

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

The results of Kingdom Developments Limited were as follows:

	Year ended 31 Dec 2010 £	Year ended 31 Dec 2009 £
Turnover	-	-
Administrative expenses	(686)	(711)
Operating loss	(686)	(711)
Interest receivable	-	1
Taxation	-	162
Loss for the year	<u>(686)</u>	<u>(548)</u>
	At 31 Dec 2010 £	At 31 Dec 2009 £
Assets	3,205	3,891
Liabilities	(500)	(500)
Shareholders funds	<u>2,705</u>	<u>3,391</u>

**11 Debtors**

	Group 2010 £	Group 2009 £	Charity 2010 £	Charity 2009 £
Due by SWBTC	-	-	-	327
Memorial Loan Fund – Loans to churches	27,300	39,450	27,300	39,450
Property sale proceeds	195,229	-	195,229	-
Property commission	10,569	-	-	-
Corporation tax	-	162	-	-
Accrued income	192	7,297	192	7,297
	<u>233,290</u>	<u>46,909</u>	<u>222,721</u>	<u>47,074</u>

Included above are debtors due after more than one year totalling £22,450 (2009 : £34,200).

**12 Bank and Cash In Hand**

CAF	<u>198,116</u>	<u>483,101</u>	<u>71,123</u>	<u>128,209</u>
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**South West Baptist Association**  
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Notes and Accounting Policies

Year Ended 31 December 2010

13 Creditors

	Group 2010 £	Group 2009 £	Charity 2010 £	Charity 2009 £
<b>a) Creditors falling due within one year</b>				
Baptist Union Loan	14,190	16,980	14,190	16,980
Holding funds	167,152	390,610	-	-
Baptist Union (Broadclyst)	54,555	-	54,555	-
Other creditors	2,351	2,043	1,686	1,644
Accruals and deferred income	23,409	20,696	19,149	16,068
	<u>261,657</u>	<u>430,329</u>	<u>89,580</u>	<u>34,692</u>
<b>b) Creditors falling due after more than one year</b>				
Baptist Union Loan	60,517	71,811	60,517	71,811
Baptist Union (Metherell)	94,055	-	94,055	-
	<u>154,572</u>	<u>71,811</u>	<u>154,572</u>	<u>71,811</u>

**South West Baptist Association**  
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Notes and Accounting Policies

Year Ended 31 December 2010

**14 Designated Funds – Charity and Group**

	Balance 01.01.10 (as restated) £	Incoming Resources £	(Resources Expended) £	Transfers In/(out) £	Recognised Gain/(Loss) £	Balance 31.12.10 £
Tangible Fixed Asset Fund:						
Cost	754,319	-	(4,676)	(573,441)	-	176,202
Revaluation	(100,650)	-	-	79,400	-	(21,250)
Mission Property Fund:						
Cost	-	310,000	(2,896)	992,589	-	1,299,693
Revaluation	-	-	-	(99,400)	17,940	(81,460)
Future Mission Designated Fund	-	151,718	(61,938)	683,992	-	773,772
Investment Fixed Asset Fund:						
Cost	571,485	-	-	(571,485)	-	-
Revaluation	20,347	-	-	(20,347)	-	-
Investment Property Fund	54,000	-	-	(54,000)	-	-
Future Grant Commitment Fund	118,750	-	-	(118,750)	-	-
Specific Fund for Newton Abbot	353,872	-	-	(353,872)	-	-
	<u>1,772,123</u>	<u>461,718</u>	<u>(69,510)</u>	<u>(35,314)</u>	<u>17,940</u>	<u>2,146,957</u>

**Tangible Fixed Asset Fund**

This represents the value of the Association's funds that are held in the form of tangible fixed assets, and investment assets net of any borrowings directly for the purpose of purchasing these fixed assets. They are held specifically to further the day by day activity of the Association and are expected to be held on a long term basis. As such they 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.

The transfer out of this fund relates to properties that are not used in the day by day activities of the Association so have been reclassified into the Mission Property Fund.

**Mission Property Fund**

This represents the value of the Association's funds that are held in the form of property fixed assets and investment assets, net of any borrowings directly for the purpose of purchasing these fixed assets. They are held specifically to further the mission work of the Association. Although individual properties may be bought and sold from time to time, to better reflect changing aspirations, in general terms these funds are not freely available to spend. Included within this fund is a revaluation reserve representing the difference between the historic cost and the revalued amount.

**Future Mission Designated Fund**

This represents the value of the Association's funds that have been set aside for future mission work, including various grants to be paid over the following years. These funds are held to allow the Association to finance the following activities - the planting of new strategic Churches, new mission enterprises and any other mission based endeavours, all within the charitable objects of the Association.

# South West Baptist Association

(Limited by Guarantee)

## Notes and Accounting Policies

Year Ended 31 December 2010

### 14 Designated Funds – Charity and Group *(continued)*

#### Investment Fixed Asset Fund

This represented 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 was a revaluation reserve representing the difference between the historic cost and the revalued amount.

During the year the Trustees withdrew this designation and the transfer out of this fund therefore represents the balance of the fund transferred to unrestricted funds.

#### Investment Property Fund

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

The transfer out of this fund relates to properties that have been reclassified into the Mission Property 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 and during the year has been amalgamated within the Future Mission Designated Fund.

#### Specific Fund for Newton Abbot

This represented the value of the assets transferred to the South West Baptist Association upon the closure of Newton Abbot Baptist Church minus any expenditure connected with this cause. The fund was designated for a term of three years for a church planting project in Newton Abbot.

During the year the Trustees transferred the manse and church to the Mission Property Fund as the new reserves policy states that all fixed and investment property assets should be included in this fund. The cash balance held for the church planting project was also transferred out of this fund during the year as a result of the new reserves policy. The cash balance is now held in the Future Mission Designated Fund.

### 15 Commitments – Charity and Group

2010  
£

2009  
£

At 31 December 2010, the Association had commitments as follows:

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

In two to five years

1,015

972

# South West Baptist Association

(Limited by Guarantee)

## Notes and Accounting Policies

Year Ended 31 December 2010

### 16 Related Party Transactions

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

**a) 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 £101,340 (2009: £99,437). The Baptist Union also provided the use of a manse (to the Association) the benefit of which is estimated to be £5,825 (2009: £5,750) during the year. The South West Baptist Association paid £328 (2009: £320) in subscriptions to the Baptist Union during 2010.

In prior years the Baptist Union had made a loan to South West Baptist Association. At 31 December 2010 the balance on the loan was £74,707 (2009: £88,791). Interest has been charged on this loan at 3.5%. The interest charged in the year ended 31 December 2010 totalled £2,896 (2009: £11,971).

**b) 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 2010 the balance outstanding was £27,300 (2009: £39,450). Repayments during the period from Churches in respect of outstanding loans were £12,150 (2009: £7,750).

**c) South West Pastoral Fund**

This fund is administered by the Regional Minister and the Regional Administrator for South West Baptist Association, although there were no financial transactions between South West Baptist Association and the Pastoral Fund. The opening balance for the year was £791. Donations of £1,133 and bank interest of £22 were received during the year and benevolent payments of £895 were made. The balance at 31 December 2010 was £1,051. During the year the Tamlin fund was also administered by the South West Pastoral Fund. The amount received was £17,202, out of which £1,470 benevolent payments were made. The balance at 31 December 2010 was £15,732.

# South West Baptist Association

(Limited by Guarantee)

## Notes and Accounting Policies

Year Ended 31 December 2010

### 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 £9,237 (2009: £10,647)).

The financial assumptions underlying the valuations were as follows:

	<b>Staff</b>	<b>Ministers</b>
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. However, the details of this valuation had not been published by the date these accounts were produced.

**South West Baptist Association**  
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Notes and Accounting Policies

Year Ended 31 December 2010

**18 Contingent Liability**

The Baptist Union have allowed 100% of its share of the assets inherited during 2009 from the church at Newton Abbot to be retained by South West Baptist Association, 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, £154,875 would be repayable to the Baptist Union.

	<b>2010</b>	<b>2009</b>
	£	£
Commitments in respect of potential grants approved, subject to annual review and meeting performance conditions:		
Within the year	<b>40,833</b>	26,917
Between one and five years	<b>64,050</b>	91,833
	<u><b>104,883</b></u>	<u>118,750</u>
Reconciliation of movement in the year		
Estimated commitment at 1 January 2010	<b>118,750</b>	144,600
Less: paid within the year ended 31 December 2010	<b>(13,867)</b>	(18,850)
Grants withdrawn before payment	-	(23,000)
Add: estimated commitments arising in the year ended 31 December 2010	-	16,000
	<u><b>104,883</b></u>	<u>118,750</u>

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

	<b>2010</b>	<b>2009</b>
	£	£
Interest paid by South West Baptist Trust Corporation	<b>182</b>	995
New deposits	-	126,507
Withdrawn in year	<b>(223,640)</b>	(11,627)
	<u><b>(223,458)</b></u>	<u>115,875</u>
Net movements in year		
Balance at 1 January 2010	<b>390,610</b>	274,735
	<u><b>167,152</b></u>	<u>390,610</u>
Total Funds held at 31 December 2010		

# South West Baptist Association

(Limited by Guarantee)

## Notes and Accounting Policies

Year Ended 31 December 2010

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

	2010 £	2009 £
Current Assets:		
Cash at Banks (Deposit Accounts)	<u>167,152</u>	<u>390,610</u>
Total Assets	<u><u>167,152</u></u>	<u><u>390,610</u></u>
Represented by:		
Accumulated Trust Balances	<u>167,152</u>	<u>390,610</u>
	<u><u>167,152</u></u>	<u><u>390,610</u></u>

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

### 21 Prior Year Adjustment

During the year, the Trustees received legal advice that a freehold property, that previously they had been advised was in the ownership of the charity, was not in fact an asset of the charity. Beneficial interest in the property lies with a Baptist Association church. The original cost of the property was £153,000 and in the financial statements to 31 December 2009 was being carried at a market value of £130,000. The financial statements have therefore been amended to remove the asset from the balance sheet and appropriate designated fund at the valuation of £130,000.