

**REGISTERED COMPANY NUMBER: 06501705 (England and Wales)**  
**REGISTERED CHARITY NUMBER: 1124938**

REPORT OF THE TRUSTEES AND  
UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR  
ENDED 31 DECEMBER 2019  
FOR  
SOUTH WEST BAPTIST ASSOCIATION

Barretts  
Chartered Accountants &  
Chartered Tax Advisers  
22 Union Street  
Newton Abbot  
Devon  
TQ12 2JS

SOUTH WEST BAPTIST ASSOCIATION

CONTENTS OF THE FINANCIAL STATEMENTS  
for the Year Ended 31 December 2019

	Page
Report of the Trustees	1 to 8
Independent Examiner's Report	9
Statement of Financial Activities	10
Balance Sheet	11 to 12
Notes to the Financial Statements	13 to 22
Detailed Statement of Financial Activities	23 to 24

SOUTH WEST BAPTIST ASSOCIATION

REPORT OF THE TRUSTEES

for the Year Ended 31 December 2019

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2019. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

## SOUTH WEST BAPTIST ASSOCIATION

### REPORT OF THE TRUSTEES

for the Year Ended 31 December 2019

### **OBJECTIVES AND ACTIVITIES**

#### **Objectives and aims**

The objects of the South West Baptist Association (SWBA) 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.

SWBA is a geographically-based organisation, with between 90-100 member churches located in Cornwall, Devon, South Somerset and West Dorset. The objects listed above therefore relate specifically to this geographical area.

#### 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.

Therefore our ongoing objectives are:

" To continue our wide-ranging work amongst Association churches, encouraging and supporting them in their work, assisting where challenges and difficulties arise, advising and enabling them to develop and clarify their vision and direction, and resourcing and equipping them where possible to achieve their vision and goals

" To continue our involvement in a range of projects which are strategically best undertaken by ourselves rather than a local church, and/or with other Baptist or ecumenical partners

" To positively and pro-actively participate in national Baptist life, promoting and encouraging a sense of Baptist identity and belonging, and working collaboratively with other Associations and the staff at Baptist House where this will enable more efficient working and better achieve our objectives of supporting and resourcing our member churches

" To provide a range of inspirational, challenging and informative events to encourage, resource and equip our churches and ministers

" To continue to build a sense of wider community amongst the Association churches

Within this framework it is recognised that the nature of SWBA's role in offering support and help to churches and ministers in times of difficulty means that the workload in any year is unpredictable. Ongoing general objectives must where necessary take second place when immediate, significant needs arise. Staff put large amounts of time and energy into offering support when crises arise, and it has been agreed that these must take priority. Above all, staff should be available to give support wherever it is needed, in situations which by their very nature are unpredictable. Examples of the kinds of issues which demand time in this way, and which regularly form a significant part of the work of the Association staff are:

" Breakdown in relationships between a minister and leadership team/and or church

" Serious divisions or issues within a church to the point where it cannot move forward until some resolution is found

" Serious safeguarding allegations or issues

" Personal crisis within a minister's life - sudden bereavement, illness or other family crisis

" Misconduct of someone in church leadership

" Financial challenges which may lead to major questions about the church's future and changes that may be needed

## SOUTH WEST BAPTIST ASSOCIATION

### REPORT OF THE TRUSTEES

for the Year Ended 31 December 2019

#### **OBJECTIVES AND ACTIVITIES**

##### **Objectives and aims**

It is therefore acknowledged that any particular objectives identified for a forthcoming year should be seen in the light of what it is possible to achieve alongside our primary objective of offering help and support in times of crisis or difficulty.

##### **Public benefit**

The Trustees have complied with their duty in the Charities Act 2011 by having referred to the public benefit guidance published by the Charity Commission.

Our main beneficiaries are the Baptist Churches in our geographical area which 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 normally made for any of the SWBA services.

The trustees consider that in addition to the advancement of religion and the provision of regular public acts of worship, the member churches of SWBA deliver a wide variety of activities which have a benefit into the community well beyond the local church fellowships themselves. This includes youth and children's activities, work with the elderly, the homeless, those in poverty and other needy groups in society. This extends to developing models of caring, good citizenship and neighbourliness, creating an environment where each individual is valued and listened to, offering opportunities for people to volunteer and engage in projects for the benefit of others and to discover and develop their own potential. The work of our churches is supported and enabled by SWBA through advising, encouragement, sharing of ideas and best practice, support through times of difficulty and conflict, providing training and resources and a network for communication.

#### **ACHIEVEMENT AND PERFORMANCE**

SWBA activities in 2019

We have continued to pro-actively engage with our member churches and other groups to move forward in our work of strengthening and encouraging local mission and ministry of all kinds. Our member churches continue to inspire us, and each other, in the work they are doing, as we also seek to inspire them.

Our team offer support, advice and help throughout the year by telephone and email contact as well as direct visits. In particular we support ministers and church leadership teams, and work directly with churches in pastoral vacancy. This includes leading vision days, preaching visits, meetings and conversations with ministers and leaders for encouragement, support or guidance, mediating through difficult situations and practical support and guidance.

As well as working with established churches and congregations, SWBA continues to work with and support pioneering mission projects in different parts of our region: Breathe Communities in Penzance, The Wave in Exmouth, the LIFE community in Axminster, and Love Looe in Cornwall. We were pleased to facilitate the appointment of an outreach mission worker in Ilfracombe, in conjunction with Ilfracombe Baptist Church and our partners in the United Reformed Church. Recognising the particular challenges of this kind of pioneering work, we aim to give regular support to the workers, and also to share their video stories more widely, regionally and nationally, to encourage support and inspire other creative initiatives.

Further progress was made in 2019 in the area of supporting and enabling local church work through property assistance. One church was able to obtain a loan to purchase from us a property we had bought for their use, having completed several years under a rental agreement with us. Another church secured funding to enable a purchase of half the value of a property bought for their use, with the second half converted to a loan to be repaid by instalments over a longer period. The trustees welcome opportunities to put the resources of the Association to use in creative ways such as these, to further the work and mission of our churches.

Carl Smethurst began developing an internship scheme, to be rolled out in 2020, to enable young people to give a year to serve in local churches across the Association. This scheme will be delivered in partnership with our friends at South West Youth Ministries (SWYM), and we are excited by the potential of this scheme for developing young adults.

The Association team arranged a variety of events throughout the year to resource, train and equip our churches, including:

" our Prepare, Feed Sustain study modules, delivered in Exeter in partnership with our friends at Bristol Baptist College - for those wishing to equip themselves to serve in their churches

" our regular safeguarding training days - for all leaders, workers and volunteers in our churches, to teach, equip and encourage excellence in safeguarding provision in all our churches

" our annual Ministers' Conference in Newquay, and termly development days for our Newly Accredited Ministers

" our Fun Day, held at Honiton Community College, which brought together people of all ages from around our region, and included our AGM

## SOUTH WEST BAPTIST ASSOCIATION

### REPORT OF THE TRUSTEES

for the Year Ended 31 December 2019

#### **ACHIEVEMENT AND PERFORMANCE**

" our Local Church Leaders Day, offering foundational training in leadership for those newly appointed to leadership roles in our churches

" our residential interview process for those exploring a calling to accredited Baptist ministry, in partnership with our neighbouring regional Associations

#### Home Mission Grants

SWBA continues to provide grants each year to a number of churches to assist with ministry costs. These grants are made out of a budget allocated to SWBA from BUGB, from the giving of our churches to the Home Mission Fund. Decisions relating to allocation of grants are made by Associations, with accountability through our Partner Associations. Since 2014 we have sought to work with our partner associations to operate common grant award and monitoring systems.

#### Regional Relationships - our Partnership

Our partner Associations are the West of England Association, Southern Counties Association and South Wales Association. The Partnership is an informal grouping which has no legal status but facilitates collaborative working in certain areas. Areas in which we sought to work collaboratively as a Partnership in 2019 are:

" Ministerial recognition

" Home Mission grants

" Home Mission promotion

" Mentoring and training of mentors for NAMs (Newly Accredited Ministers)

#### National Relationships - Baptists Together

We continue to value our relationships with the wider Baptist family and to pro-actively and positively contribute wherever possible. We have a growing relationship with Bristol Baptist College as our nearest Baptist college with staff leading occasional teaching sessions at the college. Nigel Manges attends the Baptist National Settlement Team, Carl Smethurst is a member of the National Mission Forum and a number of other mission-related groups and networks, and Chris Fry serves as a member of the national Baptist Safeguarding Group. Nigel, Chris, Carl and Mike Law as Chair of Trustees are members of Baptist Union Council (any three of the four may attend on each occasion).

#### Ecumenical Relationships

We continue to value our relationships with denominational leaders in Cornwall, Devon and Somerset, and the county Churches Together groups for the three counties. Nigel Manges leads on ecumenical relationships in Somerset and Carl Smethurst in Devon. Matt Noble, minister Truro & St Austell Baptist Churches, represents us in Cornwall.

#### **FINANCIAL REVIEW**

The accounts show a surplus for the year of £31,159 (2018: surplus £11,415) after allowing for gains on investments of £76,238 (2018: deficit of £26,126). Income and expenditure was roughly in line with our budget before the investment movement.

The reserves reported in the balance sheet are £2,367,980 (2018: £2,336,821). This includes a property reserve of £131,049 which is invested in a staff member's home. After allowing for a bank balance of £3,117 in the Stronger Together Mission Fund, the balance of funds, as set out in note 15, of £2,233,814 are unrestricted. However, this is not all available to be spent. £383,951 represents the charity office and a proportion of a house provided as accommodation for a regional minister. At the beginning of the year the charity had owned three properties valued at £706,001 which were provided to assist ministry in the region. During the year two of these were sold to their respective churches leaving just one building in the mission property fund reported in note 15. The balance on this fund of £235,000 cannot be spent.

## SOUTH WEST BAPTIST ASSOCIATION

### REPORT OF THE TRUSTEES

for the Year Ended 31 December 2019

#### **FINANCIAL REVIEW**

We have been requested by the Baptist Union to set up a pension reserve to support the national pension deficit and, after allowing for contributions made from this reserve in a previous year a balance is carried forward of £40,000. This leaves an unrestricted general fund of £1,574,863. This includes a property currently valued at £325,000 let on a short term tenancy arrangement. The net book value of a motor vehicle is £1,354 and we have loans to churches repayable in up to 10 years of £267,507. If these are excluded, then the charity has reserves of £879,722 after allowing for a pension deficit calculated at £71,280 which we anticipate will be paid in equal instalments over the next 9 years. Currently the charity is operating at an annual deficit of around £40,000. It receives regular income through its home mission grants so it only seeks to maintain liquid reserves of around £40,000 which represents approximately three months expenditure. At the year end £466,984 was held in unrestricted cash funds due to the sale of the mission properties which were sold just before the year end. It is anticipated that in excess of £300,000 will be used in the coming year to acquire another home occupied by a regional minister. The balance of the cash of £166,984 plus the investments which had increased in value to £649,616 are free reserves. The trustees are considering how to allocate these funds so that they are available for other mission property investment but allowing for the anticipated future annual losses taking into account the falling home mission income.

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **Governing document**

SWBA'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.

## SOUTH WEST BAPTIST ASSOCIATION

### REPORT OF THE TRUSTEES

for the Year Ended 31 December 2019

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **Recruitment and appointment of new trustees**

The Staff Leadership Team (currently Regional Minister:Ministry; Regional Minister; Mission and Regional Minister: Operations Manager) are Trustees ex officio for the duration of their employment in those roles.

The Chairman is nominated by the Board or a delegated Nomination Group and elected by the AGM for a term of three years.

The Honorary Treasurer is nominated by the Board or a delegated Nomination Group and elected by the AGM for a term of three years.

For other places on the Board (up to a maximum total of 17) the Board (or its delegated Nomination Group) or any member church may nominate. Nominees are elected by the AGM for a term of three years.

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

##### Induction and Training of Trustees

New trustees are provided with an induction session and induction pack which includes a copy of CC3 The Essential Trustee, and a document setting out SWBA's expectations of its trustees. Where the trustee holds a particular role or office, a written role description for that role or office is also provided. Trustee refresher training is provided from time to time where the whole Board revisits the key tenets of charity trusteeship, the structures and personnel of SWBA, and the role of the SWBA Board of Trustees.

##### Organisational Structure and how decisions are made

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 Regional 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 three sub-groups which oversee particular areas of work. The Governance Group oversees matters relating to property, finance, safeguarding, office operations and HR. The Ministry Group focuses on matters relating to ministry, accreditation, pastoral care, NAMs etc. The Mission Group oversees all aspects of mission including Home Mission grants, pioneers and pioneering work, church planting etc. Each group then reports to the full Board on key matters discussed and decisions taken. Each of the three members of the staff leadership team is accountable to their group, this being a positive and supportive accountability oversight.

Significant decisions of policy or strategy, or decisions with a significant financial implication, remain the responsibility of the full Board.

The day-to-day work of the Association is delegated to the staff team. Members of the Staff Leadership Team prepare a report on their current work for each Board meeting, and are directly accountable to the Board as well as to the sub-groups.

## SOUTH WEST BAPTIST ASSOCIATION

### REPORT OF THE TRUSTEES

for the Year Ended 31 December 2019

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **Development Since The Year End**

The closure of churches in March following the Covid19 pandemic this year has had a significant impact upon the needs of our churches and how we relate to them. Many churches quickly "moved online" with all the challenges of connecting with members who could not use this medium. Ministers and church leaders were faced with an unknown set of circumstances and we quickly remodelled our service to support them as best we could. Instead of face to face support we needed to connect online and team meetings took place in the same way. In the face of enormous challenge it has been great to see the resilience of our churches without wanting to minimise the pain and hurt that many have suffered. What will this mean for the future? Well as we consider this we really do not know but fall back upon God who is loving and faithful in walking with us.

The Trustees held a planning day online and our AGM will happen in the same manner. We currently have no idea about when and how our churches will reopen but we are working to support them as we walk this journey together.

The majority of our funding comes from our share of the Home Mission funding from the churches throughout the country. It is too early to know how this will be affected. We recognise that our income this year may fall by a considerable amount. However as mentioned in this report we have strong cash reserves which the trustees will continue to utilise to develop the support required by our churches. Therefore the SWBA continues to be a going concern ready to respond to the needs of our churches and therefore in effect the communities of the South West.

##### **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 November 2018.

#### **REFERENCE AND ADMINISTRATIVE DETAILS**

##### **Registered Company number**

06501705 (England and Wales)

##### **Registered Charity number**

1124938

##### **Registered office**

Wonford Baptist Chapel

36-38 Wonford Street

Exeter

EX2 5DL

SOUTH WEST BAPTIST ASSOCIATION

REPORT OF THE TRUSTEES

for the Year Ended 31 December 2019

**REFERENCE AND ADMINISTRATIVE DETAILS**

**Trustees**

M Law	Chair of Trustees	
I Freeland		- resigned 15.6.19
Revd D M Holmes		- resigned 15.6.19
R Dymond		
R P Carne		
Mrs C Fry		
Revd N C Manges		
Revd C Smethurst		
R Redman		
Revd J A Henley		
Revd E A Pearce		
S P Dengate		- appointed 28.2.19
A C Male		- appointed 15.6.19

**Chief executive Officer and other Senior Staff**

SWBA has no Chief Executive Officer but operates a shared leadership system where leadership is shared equally between the members of the Staff Leadership Team, with each team member acting as "team leader" in their designated areas, and any of the three are authorised to speak on behalf of the Association in external contexts. Members of the Staff Leadership Team are line-managed by the Chair of Trustees.

The Staff Leadership team are Mrs C Fry (Regional Minister :Operations Manager), Revd N Manges (Regional Minister :Ministry) and Revd Carl Smethurst (Regional Minister :Mission).

**Independent examiner**

Ian Barrett  
FCA FCIE  
Barretts  
Chartered Accountants &  
Chartered Tax Advisers  
22 Union Street  
Newton Abbot  
Devon  
TQ12 2JS

**Solicitors**

Clarke Willmott,  
Blackbrook Gate  
Blackbrook Park Avenue  
Taunton TA1 2PG

**Advisers**

Insurance- Fidelius Insurance Services, 1 Emperor Way, Exeter EX1 3QS

Investments-Irvine Financial services Ltd, Bridgewater House, The Square, Barnstaple EX32 8LS

Property- AMA Chartered Surveyors, Midtrees, The Green, Hambridge, Langport, Somerset TA10 0AT  
- Baptist union Corporation Ltd, Baptist House, PO Box 44, 129 Broadway, Didcot OX11 8RT

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

Approved by order of the board of trustees on 22 June 2020 and signed on its behalf by:

M Law - Trustee

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF  
SOUTH WEST BAPTIST ASSOCIATION

**Independent examiner's report to the trustees of South West Baptist Association ('the Company')**

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 December 2019.

**Responsibilities and basis of report**

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

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

**Independent examiner's statement**

Since your charity's gross income exceeded £250,000 your examiner must be a member of a listed body. I can confirm that I am qualified to undertake the examination because I am a registered member of FCA FCIE which is one of the listed bodies

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

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

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

Ian Barrett  
FCA FCIE  
Barretts  
Chartered Accountants &  
Chartered Tax Advisers  
22 Union Street  
Newton Abbot  
Devon  
TQ12 2JS

23 June 2020

SOUTH WEST BAPTIST ASSOCIATION

STATEMENT OF FINANCIAL ACTIVITIES  
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)  
for the Year Ended 31 December 2019

	Notes	Unrestricted funds £	Restricted funds £	2019 Total funds £	2018 Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>					
Donations and legacies		189,066	960	190,026	203,280
Investment income	2	26,949	-	26,949	32,048
Other income		37,158	-	37,158	101,336
<b>Total</b>		<b>253,173</b>	<b>960</b>	<b>254,133</b>	<b>336,664</b>
<b>EXPENDITURE ON</b>					
Raising funds	3	4,722	-	4,722	4,648
<b>Charitable activities</b>					
Charitable activities		264,740	500	265,240	292,038
Other		29,250	-	29,250	2,437
<b>Total</b>		<b>298,712</b>	<b>500</b>	<b>299,212</b>	<b>299,123</b>
Net gains/(losses) on investments		76,238	-	76,238	(26,126)
<b>NET INCOME</b>		<b>30,699</b>	<b>460</b>	<b>31,159</b>	<b>11,415</b>
<b>RECONCILIATION OF FUNDS</b>					
<b>Total funds brought forward</b>		<b>2,203,115</b>	<b>133,706</b>	<b>2,336,821</b>	<b>2,325,406</b>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>2,233,814</b>	<b>134,166</b>	<b>2,367,980</b>	<b>2,336,821</b>

The notes form part of these financial statements

SOUTH WEST BAPTIST ASSOCIATION

BALANCE SHEET

At 31 December 2019

	Notes	Unrestricted funds £	Restricted funds £	2019 Total funds £	2018 Total funds £
<b>FIXED ASSETS</b>					
Tangible assets	9	620,305	131,049	751,354	1,255,604
<b>Investments</b>					
Investments	10	649,616	-	649,616	577,909
Investment property	11	325,000	-	325,000	325,000
		<u>1,594,921</u>	<u>131,049</u>	<u>1,725,970</u>	<u>2,158,513</u>
<b>CURRENT ASSETS</b>					
Debtors	12	266,599	-	266,599	46,093
Cash at bank		466,984	3,117	470,101	253,392
		<u>733,583</u>	<u>3,117</u>	<u>736,700</u>	<u>299,485</u>
<b>CREDITORS</b>					
Amounts falling due within one year	13	(31,352)	-	(31,352)	(49,311)
		<u>702,231</u>	<u>3,117</u>	<u>705,348</u>	<u>250,174</u>
<b>NET CURRENT ASSETS</b>					
		<u>702,231</u>	<u>3,117</u>	<u>705,348</u>	<u>250,174</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>					
		<u>2,297,152</u>	<u>134,166</u>	<u>2,431,318</u>	<u>2,408,687</u>
<b>CREDITORS</b>					
Amounts falling due after more than one year	14	(63,338)	-	(63,338)	(71,866)
		<u>2,233,814</u>	<u>134,166</u>	<u>2,367,980</u>	<u>2,336,821</u>
<b>NET ASSETS</b>					
		<u>2,233,814</u>	<u>134,166</u>	<u>2,367,980</u>	<u>2,336,821</u>
<b>FUNDS</b>					
Unrestricted funds	15			2,233,814	2,203,115
Restricted funds				134,166	133,706
				<u>2,367,980</u>	<u>2,336,821</u>
<b>TOTAL FUNDS</b>					
				<u>2,367,980</u>	<u>2,336,821</u>

The notes form part of these financial statements

SOUTH WEST BAPTIST ASSOCIATION

BALANCE SHEET - CONTINUED

At 31 December 2019

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2019.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2019 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

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

The financial statements were approved by the Board of Trustees on 22 June 2020 and were signed on its behalf by:

M Law -Trustee

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended 31 December 2019

**1. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

**Income**

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

**Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Motor vehicles - 25% on cost

**Investment property**

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in fair value is recognised in the Statement of Financial Activities.

**Taxation**

The charity is exempt from corporation tax on its charitable activities.

**Fund accounting**

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

**2. INVESTMENT INCOME**

	<b>2019</b>	2018
	<b>£</b>	£
Rents received	<b>25,542</b>	30,211
Interest and dividends	<b>952</b>	1,837
Loan interest	<b>455</b>	-
	<hr/> <b>26,949</b> <hr/>	<hr/> 32,048 <hr/>

SOUTH WEST BAPTIST ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
for the Year Ended 31 December 2019

**3. RAISING FUNDS**

**Investment management costs**

	<b>2019</b>	2018
	<b>£</b>	£
Portfolio management	<b>4,590</b>	4,523
Bank charges	<b>132</b>	125
	<u><b>4,722</b></u>	<u>4,648</u>

**4. GRANTS PAYABLE**

	<b>2019</b>	2018
	<b>£</b>	£
Charitable activities	<b>71,046</b>	74,154

	<b>2019</b>	2018
Annual grants to institutions	<b>69,796</b>	71,904
Annual grants to individuals	<b>1,250</b>	2,250
Pension settlements	<b>5,693</b>	18,955
	<b>76,739</b>	93,109

**5. NET INCOME/(EXPENDITURE)**

Net income/(expenditure) is stated after charging/(crediting):

	<b>2019</b>	2018
	<b>£</b>	£
Depreciation - owned assets	<b>3,250</b>	2,437
Deficit on disposal of fixed asset	<b>26,000</b>	-

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
for the Year Ended 31 December 2019

**6. TRUSTEES' REMUNERATION AND BENEFITS**

Salaries, social security costs, pension costs and other benefits have been paid in respect of the following trustees:

	<b>2019</b>	2018
Christine Fry	<b>36,007</b>	35,899
Nigel Manges	<b>40,053</b>	37,239
Carl Smethurst	<b>40,593</b>	33,247

Accommodation was provided to Carl Smethurst, together with his family, by BUGB.

Accommodation was also provided to Nigel Manges by the Association.

A motor car was provided to Carl Smethurst.

Included in these figures are pension costs of:

	<b>2019</b>	2018
Christine Fry	<b>3,085</b>	2,993
Nigel Manges	<b>3,428</b>	3,330
Carl Smethurst	<b>3,428</b>	3,330

The above sums are payable in the course of the trustees' employment as senior staff of the charity and not by virtue of their role as trustees. The Memorandum and Articles of Association provides legal authority for the payment to these trustees.

**Trustees' expenses**

Reimbursed travel, subsistence and car running expenses have been paid to Christine Fry, Nigel Manges and Carl Smethurst totalling £21,857. In 2018 a total of £20,959 was paid to employed trustees.

During the year the charity has reimbursed travel, telephone and other expenses totalling £846 to four other trustees (2018: £899 to six other trustees).

**7. STAFF COSTS**

The average monthly number of employees during the year was as follows:

	<b>2019</b>	2018
Pastoral	<b>3</b>	3
Administration	<b>1</b>	1
	<hr/> <b>4</b> <hr/>	<hr/> <b>4</b> <hr/>

No employees received emoluments in excess of £60,000.

**8. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES**

	<b>Unrestricted funds £</b>	<b>Restricted funds £</b>	<b>Total funds £</b>
<b>INCOME AND ENDOWMENTS FROM</b>			
Donations and legacies	<b>201,835</b>	<b>1,445</b>	203,280
Investment income	<b>32,048</b>	-	32,048
Other income	<b>101,336</b>	-	101,336
<b>Total</b>	<hr/> <b>335,219</b> <hr/>	<hr/> <b>1,445</b> <hr/>	<hr/> <b>336,664</b> <hr/>

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
for the Year Ended 31 December 2019

## 8. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted funds £	Restricted funds £	Total funds £
<b>EXPENDITURE ON</b>			
Raising funds	4,648	-	4,648
<b>Charitable activities</b>			
Charitable activities	290,038	2,000	292,038
Other	2,437	-	2,437
<b>Total</b>	<b>297,123</b>	<b>2,000</b>	<b>299,123</b>
<b>Net gains/(losses) on investments</b>	<b>(26,126)</b>	<b>-</b>	<b>(26,126)</b>
<b>NET INCOME</b>	<b>11,970</b>	<b>(555)</b>	<b>11,415</b>
<b>RECONCILIATION OF FUNDS</b>			
<b>Total funds brought forward</b>	<b>2,191,145</b>	<b>134,261</b>	<b>2,325,406</b>
<b>TOTAL FUNDS CARRIED FORWARD</b>	<b>2,203,115</b>	<b>133,706</b>	<b>2,336,821</b>

## 9. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures and fittings £	Motor vehicles £	Totals £
<b>COST</b>				
At 1 January 2019	1,251,000	5,703	12,999	1,269,702
Disposals	(501,000)	-	-	(501,000)
At 31 December 2019	750,000	5,703	12,999	768,702
<b>DEPRECIATION</b>				
At 1 January 2019	-	5,703	8,395	14,098
Charge for year	-	-	3,250	3,250
At 31 December 2019	-	5,703	11,645	17,348
<b>NET BOOK VALUE</b>				
At 31 December 2019	750,000	-	1,354	751,354
At 31 December 2018	1,251,000	-	4,604	1,255,604

The Freehold properties were professionally valued at 31st December 2015 and this valuation has been used as the fair value at 31st December 2019 as, in the opinion of the trustees, there has been no material change in the value.

The historical cost of the properties, including costs of improvements is £1,068,052..

SOUTH WEST BAPTIST ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
for the Year Ended 31 December 2019

**10. FIXED ASSET INVESTMENTS**

	<b>2019</b>	2018
	<b>£</b>	£
Shares	<b>644,906</b>	573,199
Other	<b>4,710</b>	4,710
	<u><b>649,616</b></u>	<u>577,909</u>

Additional information as follows:

	<b>Listed investments £</b>
<b>MARKET VALUE</b>	
At 1 January 2019	<b>573,199</b>
Revaluations	<b>71,707</b>
At 31 December 2019	<u><b>644,906</b></u>
<b>NET BOOK VALUE</b>	
At 31 December 2019	<u><b>644,906</b></u>
At 31 December 2018	<u>573,199</u>

There were no investment assets outside the UK.

Investments (neither listed nor unlisted) were as follows:

	<b>2019</b>	2018
	<b>£</b>	£
At 1st January and 31st December 2017	<u><b>4,710</b></u>	<u>4,710</u>

**11. INVESTMENT PROPERTY**

	<b>£</b>
<b>FAIR VALUE</b>	
At 1 January 2019 and 31 December 2019	<u><b>325,000</b></u>
<b>NET BOOK VALUE</b>	
At 31 December 2019	<u><b>325,000</b></u>
At 31 December 2018	<u>325,000</u>

SOUTH WEST BAPTIST ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

for the Year Ended 31 December 2019

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 £
Memorial Loan Fund- Loans to churches	121,144	43,500
Loan to member church	145,455	-
Other debtors	-	2,593
	<u>266,599</u>	<u>46,093</u>

The Memorial Loan Fund is for concessionary loans and include amounts due after more than one year totalling £104,814 (2018: £34,600).

The loan to a member church relates to a property purchase and includes amounts due after more than year totalling £130,455 (2018: nil).

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 £
Other creditors	28,249	23,677
Accruals and deferred income	3,103	25,634
	<u>31,352</u>	<u>49,311</u>

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2019 £	2018 £
Other creditors	63,338	71,866

15. MOVEMENT IN FUNDS

	At 1.1.19 £	Net movement in funds £	Transfers between funds £	At 31.12.19 £
<b>Unrestricted funds</b>				
General fund	888,118	30,699	656,046	1,574,863
Tangible Fixed Asset Fund	413,951	-	(30,000)	383,951
Mission Property Fund	870,001	-	(635,001)	235,000
Pension Reserve	31,045	-	8,955	40,000
	<u>2,203,115</u>	<u>30,699</u>	<u>-</u>	<u>2,233,814</u>
<b>Restricted funds</b>				
Capital Project Fund (Sherborne)	131,049	-	-	131,049
Stronger Together	2,657	460	-	3,117
	<u>133,706</u>	<u>460</u>	<u>-</u>	<u>134,166</u>
<b>TOTAL FUNDS</b>	<u>2,336,821</u>	<u>31,159</u>	<u>-</u>	<u>2,367,980</u>

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
for the Year Ended 31 December 2019

**15. MOVEMENT IN FUNDS - continued**

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
<b>Unrestricted funds</b>				
General fund	253,173	(298,712)	76,238	30,699
<b>Restricted funds</b>				
Stronger Together	960	(500)	-	460
<b>TOTAL FUNDS</b>	<u>254,133</u>	<u>(299,212)</u>	<u>76,238</u>	<u>31,159</u>

**Comparatives for movement in funds**

	At 1.1.18 £	Net movement in funds £	At 31.12.18 £
<b>Unrestricted Funds</b>			
General fund	857,193	30,925	888,118
Tangible Fixed Asset Fund	413,951	-	413,951
Mission Property Fund	870,001	-	870,001
Pension Reserve	50,000	(18,955)	31,045
	<u>2,191,145</u>	<u>11,970</u>	<u>2,203,115</u>
<b>Restricted Funds</b>			
Capital Project Fund (Sherborne)	131,049	-	131,049
Stronger Together	3,212	(555)	2,657
	<u>134,261</u>	<u>(555)</u>	<u>133,706</u>
<b>TOTAL FUNDS</b>	<u>2,325,406</u>	<u>11,415</u>	<u>2,336,821</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
<b>Unrestricted funds</b>				
General fund	335,219	(278,168)	(26,126)	30,925
Pension Reserve	-	(18,955)	-	(18,955)
	<u>335,219</u>	<u>(297,123)</u>	<u>(26,126)</u>	<u>11,970</u>
<b>Restricted funds</b>				
Stronger Together	1,445	(2,000)	-	(555)
<b>TOTAL FUNDS</b>	<u>336,664</u>	<u>(299,123)</u>	<u>(26,126)</u>	<u>11,415</u>

**15. MOVEMENT IN FUNDS - continued**

**Tangible Fixed Asset Fund**

This represents the value of the Association's funds that are held in the form of tangible fixed assets directly for the purpose of purchasing these fixed assets. They are held specifically to further the day by day activity of the Association and represent the charity office and one property occupied by a regional minister and are expected to be held on a long term basis. As such they are therefore not freely available to spend. Within this fund is a revaluation reserve representing the difference between the historic cost and the revalued amount.

**Mission Property Fund**

This represents the value of the Association's funds that are held in the form of property fixed assets directly for the purpose of purchasing these fixed assets. They are held specifically to further the mission work of the Association by providing property for a minister to occupy or a building from which a church can develop its ministry. 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. Within this fund is a revaluation reserve representing the difference between the historic cost and the revalued amount. During the year two properties were sold to their respective churches leaving one property held in this reserve.

**The Stronger Together Mission Fund**

This has a dual purpose-to promote and enable mission initiatives in our churches, and also to strengthen the sense of connectedness between our churches as we share stories of how money from the fund has been used. This is funded by small one-off donations available to the Association.. Application can be made by churches to receive grants for new mission initiatives, with the proviso that they can demonstrate that they are working in partnership with another church, in their mission.

**The Capital Project Fund**

This relates to a donation from the Baptist Building Fund for use by the charity in capital projects. It is currently used to assist with the provision of a manse. In the event that the manse is sold, the proportion of the proceeds that relate to the donation are to be used to fund future capital projects of the charity. This donation originated from the sale of Sherborne Baptist Church.

**Pension Reserve**

The Pension Reserve is an amount that the trustees have committed to donate towards the pension deficit within the Baptist defined pension scheme to alleviate problems other members of the scheme may experience. The Association is also a member of the scheme and its own deficit is reported in note 17.

**16. RELATED PARTY DISCLOSURES**

**South West Pastoral Fund 2019**

This fund is administered by the Regional Minister for Ministry for the South West Baptist Association, although there were no financial transactions between SWBA and the Pastoral Fund. Donations of £640 (2018: £921), benevolent payments of £200 0(2018: £1,250) were made. The balance at 31st December 2019 was £6,041 (2018: £5,801).

During the year the Tamlin Fund was also administered by the South West Pastoral Fund. There was no income during the year (2018: nil) and no payments were made (2018: £250). The balance at 31st December 2019 was £2,880 (2018: £2,880)

During the year the Sleeman Fund was also administered by the South West Pastoral Fund. There was no income during the year (2018: nil) and no benevolent payments were made other than bank charges of £60. The balance at 31st December was £18,728 (2018: £18,788).

The total of Pastoral Funds combined: £27,850 (2018: £27,469)

There were no other related party transactions in the period.

**17. PENSIONS**

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

The Scheme, previously known as the Baptist Ministers' Pension Fund, started in 1925, but was closed to future accrual of defined benefits on 31 December 2011. Prior to this date the main benefit provided through the Defined Benefit (DB) Plan was a pension of one eightieth of final minimum pensionable income for each year of pensionable service together with additional pension in respect of premiums paid on Pensionable Income in excess of Minimum Pensionable Income.

From January 2012, pension provision is being made through the Defined Contribution (DC) Plan within the Scheme. In general, members pay 8% of their Pensionable Income and employers pay 6% of members' Pensionable Income into individual pension accounts, which are operated and managed on behalf of the Pension Trustee by Legal and General Life Assurance Society Limited. In addition, the employer pays a further 4% of Pensionable Income to cover Death in Service Benefits, administration costs, and an associated insurance policy which provides income protection for Scheme members if they are unable to work due to long-term incapacity. This income protection policy has been insured by the Baptist Union of Great Britain with Aviva Limited.

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

The Ministers are eligible to join the Scheme.

Actuarial valuation as at 31 December 2016

A formal valuation of the DB Plan as at 31 December 2016 by a professionally qualified Actuary using the Projected Unit Method. At the valuation date the market value of the DB Plan assets was £219 million, whilst the level of assets needed to pay benefits was £312m, giving a deficit of £93m (equivalent to a past service funding level of 70%). The Association and the other participating employers in the DB Plan are collectively responsible for funding this deficit.

The key financial assumptions underlying the valuation were as follows

Type of assumption % p.a.

RPI price inflation assumption 3.50

CPI price inflation assumption 2.75

Minimum Pensionable Income increases 3.50

Assumed investment returns

" Pre-retirement 3.50

" Post retirement 2.25

" Additional returns assumed during recovery plan 0.10

Deferred pension increases

" Pre-April 2009 3.50

" Post-April 2009 2.50

Pension increases

" Based on RPI with an annual floor of 0% and annual cap of 5% 3.30

" Based on RPI with an annual floor of 0% and annual cap of 2.5% 2.15

" Based on CPI with an annual floor of 0% and annual cap of 5% 2.70

" Based on CPI with an annual floor of 0% and annual cap of 2.5% 2.00

Mortality is assumed in accordance with 75% of the S2NA standard mortality table. Future improvements projected from 2007 in line with the "CMI 2016" projection with a long-term rate of improvement of 1.75% p.a. for males and 1.5% p.a. for females.

The next actuarial valuation of the DB Plan within the Scheme is due to take place not later than as at 31 December 2019.

**Recovery Plan**

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

Under the current Recovery Plan agreed in April 2018, deficiency contributions are payable until December 2028. These contributions are broadly based on the employer's membership at 31 December 2014 and increase annually in line with increases to Minimum Pensionable Income as defined in the Rules.

The estimated employer debt for the BPS is £71,280 (2018: £79,850).

SOUTH WEST BAPTIST ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
for the Year Ended 31 December 2019

**17. PENSIONS**

SOUTH WEST BAPTIST ASSOCIATION

DETAILED STATEMENT OF FINANCIAL ACTIVITIES

for the Year Ended 31 December 2019

	2019 £	2018 £
<b>INCOME AND ENDOWMENTS</b>		
<b>Donations and legacies</b>		
Baptist Union-Grant	172,206	192,565
Donations	17,820	10,715
	<hr/>	<hr/>
	190,026	203,280
<b>Investment income</b>		
Rents received	25,542	30,211
Interest and dividends	952	1,837
Loan interest	455	-
	<hr/>	<hr/>
	26,949	32,048
<b>Other income</b>		
Preaching fees and other income	7,180	7,073
Courses	-	1,141
Ministers' conference	11,125	18,873
Staff pension scheme deficit refund	-	15,547
Pension scheme deficit adjustment	-	58,702
Member church support	18,853	-
	<hr/>	<hr/>
	37,158	101,336
<b>Total incoming resources</b>	<b>254,133</b>	<b>336,664</b>
<b>EXPENDITURE</b>		
<b>Investment management costs</b>		
Portfolio management	4,590	4,523
Bank charges	132	125
	<hr/>	<hr/>
	4,722	4,648
<b>Charitable activities</b>		
Salaries and employment costs	146,681	141,710
Sundries	21	140
Travel expenses (not ministerial)	3,456	3,106
Property costs	101	7,085
Events	12,353	25,705
Office costs	1,788	-
Printing, stationery, postage and telephone	6,167	6,688
Property costs (Wonford)	9,302	6,092
Costs of meetings	760	1,045
Training	2,216	1,599
Member church pension deficit	5,693	18,955
Grants to institutions	69,796	71,904
Grants to individuals	1,250	2,250
	<hr/>	<hr/>
	259,584	286,279

This page does not form part of the statutory financial statements

SOUTH WEST BAPTIST ASSOCIATION

DETAILED STATEMENT OF FINANCIAL ACTIVITIES  
for the Year Ended 31 December 2019

	2019 £	2018 £
<b>Other</b>		
Motor vehicle depreciation	3,250	2,437
Loss on sale of tangible fixed assets	26,000	-
	<u>29,250</u>	<u>2,437</u>
<b>Support costs</b>		
<b>Management</b>		
Independent examiner's fee - independent examination	720	720
Independent examiner's fee- accountancy	1,200	1,940
	<u>1,920</u>	<u>2,660</u>
<b>Governance costs</b>		
Legal & professional fees	2,208	1,657
Trustee costs	1,528	1,442
	<u>3,736</u>	<u>3,099</u>
<b>Total resources expended</b>	<u>299,212</u>	<u>299,123</u>
<b>Net (expenditure)/income before gains and losses</b>	<u>(45,079)</u>	<u>37,541</u>
<b>Realised recognised gains and losses</b>		
Realised gains/(losses) on fixed asset investments	-	4,952
<b>Net (expenditure)/income</b>	<u><u>(45,079)</u></u>	<u><u>42,493</u></u>