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REPORT OF THE TRUSTEES AND
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021
FOR
SOUTH WEST BAPTIST ASSOCIATION

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SOUTH WEST BAPTIST ASSOCIATION

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for the Year Ended 31 December 2021

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REPORT OF THE TRUSTEES
for the Year Ended 31 December 2021

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 2021. 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 2019).

SOUTH WEST BAPTIST ASSOCIATION

REPORT OF THE TRUSTEES

for the Year Ended 31 December 2021

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 (BUGB).

This three-part "Declaration of Principle" forms the basis of understanding for all who belong to the Baptist Union. It was introduced in 1873 with the intent of holding in union Baptists with widely different theological understandings and progressively refined (1904, 1906 and 1938). It is rooted in Jesus' Great Commission (Matthew 28:18-20) with its threefold pattern of authority, baptism and mission. The first clause of the Declaration focuses on the absolute authority of Jesus Christ with clause two on baptism into the life of God and clause three on mission.

SWBA is one of thirteen Associations within BUGB and has a geographical-based focus in the South West of England specifically in Cornwall, Devon, South Somerset and West Dorset. Within this area, the Association seeks to serve the local member churches, pioneers and chaplains within the Baptist family as they seek to grow healthy churches in relationship to God's mission.

Our Aims

It follows therefore that we aim to support the local churches in their mission

To enable this the Trustees have identified three distinct areas which help to ensure the focus of our activity and resources are consistently applied. We aim to be:

Responsive

Responding to the needs of our member churches as effectively and efficiently as possible, we seek to facilitate, support, and enable their work by walking alongside them, their ministers and leadership teams.

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 our member 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 aims 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.
- 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.
- 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.
- Provide a range of inspirational, challenging and informative events to encourage, resource and equip our churches and ministers.
- Continue to build a sense of wider community amongst the Association churches.

Family Matters

Locally

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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 can be variable and unpredictable. Ongoing general objectives must, where necessary, be paused or adapted as significant needs arise. Our Staff Team put large amounts of time and energy into offering bespoke support when crises arise. It has been agreed by the Trustees that these times of crisis must take high priority. Above all, SWBA Staff Team should be available to give support wherever it is needed, in situations that by their very nature are unpredictable. Examples of the kinds of issues that demand time in this way and which regularly form a significant part of the work for 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
- A 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

In 2021 as we emerged from Covid the Senior Staff Team found themselves at the forefront of providing pastoral support for the local churches as well as in the vanguard of new initiatives to help local church leaders adapt to the 'new norm'. Innovation and change have, over this period, been almost a constant in so many areas of adapting and returning 'back to normal'. So too has the ongoing need to give personal support to our Ministers, Pioneers and Chaplains as they adapted their ministries to this new landscape whilst often managing their own difficult personal situations. Over the last two years, SWBA Staff Team and Trustees have sought hard to give that high level of support whilst not losing focus on its primary objectives.

Nationally

As well as supporting the local Baptist Family we also work in close cooperation with our Partnership Associations. These are the West of England Association, Southern Counties Association and South Wales Association. The Partnership is an informal grouping that has no legal status but facilitates collaborative working in certain areas.

Areas in which we sought to work collaboratively as a Partnership in 2021 include Ministerial recognition; Home Mission grants; Home Mission promotion; Mentoring and training of mentors for Newly Accredited Ministers (NAMs); and National Relationships. 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.

In 2021 Nigel Manges attended the Baptist National Settlement Team and Carl Smethurst attended the National Mission Forum and several other mission-related groups and networks. Until leaving in March 2021 Chris Fry attended the national Baptist Safeguarding Group. The Association also has three representative places on Baptist Union Council which meets twice a year at Swanwick.

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 that SWBA gives to the churches, especially the list of services provided. These all aim to help the churches better fulfil their 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 that have benefited 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 everyone 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 potential. The work of our churches is supported and enabled by SWBA through advising, encouragement, sharing of ideas and best practices, support through times of difficulty and conflict, providing training and resources, and a network for communication.

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ACHIEVEMENT AND PERFORMANCE

SWBA activities in 2021

Despite the challenge of Covid and the impact this had on churches the SWBA Team has maintained a comprehensive programme of activity along with several new initiatives in response to the needs of our member churches and the communities they serve.

This response has also spilled into other areas of the Baptist family through our Partnership Group and at a national level through established communication channels and meetings. The following reports from our Regional Ministers give testimony to the activities undertaken in 2021.

Ministry - Revd Nigel Manges

It has been a year of change. Nigel Manges temporarily took up a number of tasks that were previously held by Mrs Chris Fry and has overseen the updating of the Safeguarding and Data protection policies for the SWBA. This expanded role has included helping with management of the Office and dealing with day-to-day enquiries from churches and ministers such as HR, employment, trust advice, where to get legal support, financial and constitutional clarity. (This list is not exhaustive.)

The primary role of Ministry support has been fulfilling our objectives of being Responsive, Prophetic and Strategic.

This means being available to give support wherever it is needed, in situations that by their very nature are unpredictable. This has been a busy year supporting ministers and churches and has involved:

- Breakdown in relationships between a ministers and leadership teams /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
- Ministerial disciplinary
- Personal crisis within a minister's life - sudden bereavement, illness, or other family crisis
- Mental health issues experienced amongst ministers
- General pastoral support and encouragement
- Misconduct of someone in church leadership
- Leadership training for church leadership teams
- Financial challenges which may lead to major questions about the church's future and changes that may be needed

Coming out of the pandemic has created new challenges for both ministers and churches and we have sought to be responsive, strategic and prophetic:

Mental Health

This has been a major issue for church members and ministers. As well as providing support and finance for counselling for ministers we engaged with a project with Plymouth University medical students to research the size of the issue and produce a resource that would help identify warning signs at an early stage.

Church Closures

This was always going to be a reality for a number of churches and we have sought to support them through the legal and trust issues as well as giving 'palliative' pastoral care as they close. Where we see a strategic value in a church we have explored other possibilities of a new ministry.

Cluster Ministers

The Association is divided into several areas and a minister has been appointed to each of these areas as a 'Cluster Minister'. Their role is to offer local support and pastoral care and coordinate regular meetings. Their work has been invaluable and we have been exploring how to develop the role and the number of cluster ministers.

Continued Ministerial Development

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We have continued to encourage, resource and oversee this national initiative. As a Partnership with three other Associations, we have provided training for peer mentors. We also helped conduct 360 reviews and mentoring.

Justice Group

During the pandemic justice was raised as an issue through 'Black Live Matters' and 'Extinction Rebellion'. A Justice group was established to help resource churches to look at these and other issues including economic, disability, gender and LGBT+. This group is made up of ministers from around the Association.

Ministerial Recognition Committee

Chris Fry used to be the administrator for this committee and with her departure the time had come for another in the Partnership to take up the responsibility. WEBNET are now the administrators with SWBA paying a financial contribution. Nigel Manges is SWBA representative on the group and responsible for supporting those from the Association who are considering ministry and coordinating the interview process.

Ministry Group

Underpinning all this work is a Ministry Group which included Trustees and Ministers who act as an accountability group as well as enabling reflection on current issues for churches and ministers. This group meet 4-5 times a year and is a great support to the Association.

Safeguarding

Through the year we carried out a strategic review of our Safeguarding practices. We were grateful to Mr Rob Dymond, one of the Association Trustees, for picking up the role of Safeguarding Trustee from Chris Fry. From the review we concluded that we will no longer use the services of Thirtyone:eight and will look to appoint a Safeguarding Lead to be shared with WEBNET and South Wales Baptist Association.

Taunton School

The Association has a responsibility on the Board of Governors for Taunton School (a Free Church Foundation school) with Nigel Manges serving on this Board. It has been a particularly busy year with Covid and the school completing a major development project. Support has also been given to the school chaplain who was appointed by the Church Advisory Panel which Nigel Manges chairs.

Ministry Hopes and Aspirations for 2022

- Develop the role of Cluster Ministers to triage pastoral situations, offer support locally, develop a strategy that enables churches to 'associate' better and be an added resource to support the regional team.
- Employ a Safeguarding Lead to work alongside the Safeguarding teams in SWBA, Webnet and South Wales Baptist Association.
- Develop the work of the Justice group and produce webpages with resources for churches.
- Work with the churches as they navigate the new settlement system that has been put into place by the Baptist Union. Also, to train and establish a team of moderators that would help in this process.
- Develop links with the Plymouth University Medical Department and work on projects that will benefit our churches.
- Work with churches as they come out of the pandemic and consider what next.
- Employ someone to replace the administration role that was previously done by Chris Fry.

Mission - Revd Carl Smethurst

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Mission Training

The SWBA Learning Community has several elements to teach and inspire those within our family of churches, pioneers, CYF workers and chaplains. In 2021 we saw the Learning Community expand both in the variety of training methods and the number of those accessing them. The following outlines the activities of the Learning Community in 2021.

Prepare, Feed, Sustain (PFS) - a 12-module course (4 per year), each with two Saturday teaching days. In 2021 the modules taught were, 'Leading Public Worship', 'Spirituality', 'Pastoral Care' & 'Reading & Using the Bible - Old Testament'. Over 50 students participated in one or more of these modules. In 2021 we expanded the number of those who could attend by providing the training both onsite and online via Zoom utilising a new media suite recently installed in our Exeter offices.

Crucible - Crucible is also a modular course aimed at training those interested in pioneer ministry and developing non-traditional expressions of church. In 2021 the course was online only for the first time with participants from across the world.

Bristol Baptist College Exeter Hub - a new joint initiative for 2021 with our training partner Bristol Baptist College (BBC) was the launch of a Ministerial Formation Hub for Baptist Ministers-in-Training (MITs) based in our Exeter offices. Four MITs made up the first cohort of the Exeter Hub, supervised by a tutor employed by BBC. The training is hybrid with lecturers presenting both in Exeter and from BBC via Zoom, again utilising our new media suite. This initiative enables MITs to access formation in the South West rather than costly and time-consuming weekly trips to the college in Bristol. We hope this vastly increased accessibility to Ministerial Formation will encourage many others in the South West to explore a calling to Ministry.

Webinars - In 2020 we began to see the potential in leading Zoom webinars for training and resourcing, and this continued in 2021 with webinars offered across a range of subjects. Attendance was not as high as the previous year, possibly because of 'Zoom-fatigue', but all webinars are recorded and uploaded to our YouTube channel where others continue to access them at their leisure. Alongside a series of webinars led by our new Digital Missioner (see below), examples from 2021 are,

o TABLE - a new resource for missional communities - <https://youtu.be/0TKkyT38-YY>

o The BIG COVID Debrief - <https://youtu.be/4vGYz8z-7Co>

o How to grow your church & love the planet - <https://youtu.be/wlUubclvQ0I>

o Five Ways to Wellbeing - a series of short video-based resources brought together here - <https://www.swbaptists.org.uk/resources/children-families/five-ways-to-wellbeing/>

o Lent Study Videos... a resource for church small groups - <https://www.swbaptists.org.uk/blog/2021/02/09/lent-study/>

Mission Internship

INVEST is our missional internship programme run in collaboration with another training partner, South West Youth Ministries (see <https://www.swbaptists.org.uk/invest> for more details). In 2021 we saw the three interns from our first year running this programme graduate. Due to many of the usual marketing channels being unavailable in 2021 recruitment for the September intake was challenging but we welcomed one new INVEST intern who started the year long programme for the 2021-22 academic year.

Mission Pioneers

As well as seeking to support and equip our established churches in their mission to those in their communities, we continue to intentionally seek those who will pioneer new forms of mission with a view to possibly planting new churches in the South West. In 2021 we welcomed a new family who have begun to pioneer in Mevagissey in Cornwall. It has been a joy to walk with them, encourage and resource them as they have begun engaging with those in the town. They join a growing number of SWBA pioneers in Penzance, Looe, Exmouth, Axminster and Ilfracombe.

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This year we began conversations with an experienced Minister from a Baptist church in the Midlands who will move to pioneer in Porthleven in the summer of 2022. We are also in conversation with a new Minister-in-Training who is seeking to reach out to the growing 'Van-Life Community' in the South West, mostly younger professional people who have moved from expensive accommodation in London and the South East to live and work out of camper vans in the South West. We would like to work alongside her to identify, develop and manage a camper van site for this community which will act as a base for her missional ministry in the future. This year also saw us involved in the beginnings of a new network of pioneers in coastal communities across the UK. We have several in the SWBA and 'Coastal Expression', as this new network will be called, will help build strong relationships of support and the sharing of best practice between them.

Preparing new pioneers both spiritually and practically, networking them with each other and our existing family of churches and supporting them relationally and financially is time-consuming but is a privilege and a clear expression of one of our core aims to be 'prophetic' in our activity as an Association.

University Chaplaincy

After several years of preparation work, in 2021 we joined with partners in the Methodist Church and URC to appoint a new part-time Free Church Chaplain to Exeter University. The successful applicant is an accredited Baptist Minister who we are supporting with a mission grant and by being a member of his Management Team. The potential this role offers to support both students and staff at the university and to be an integral part of the spiritual life of those on campus is exciting and we are looking forward to seeing how it develops in the coming years.

Digital Mission

This year also saw the expansion of the work of our new Digital Missioner, Hannah Fleming-Hill. She completed her review and digital strategy for the SWBA and has begun to implement it alongside continuing to support SWBA churches in their engagement with the digital world and leading a number of webinars, examples of which are,

- o Communicating this Christmas; making the most of your social media - <https://youtu.be/-YReHHD5tTg>
- o Hybrid Church; ideas for the future - <https://youtu.be/MBH0lWdpKYI>
- o Three Films Project - <https://youtu.be/QFIK1xIjZcE>

The Fuelcast

'The Fuelcast' is a Bristol-based Christian film production company led by Baptist minister and videographer, Andy Thomas. In the first quarter of 2021, we collaborated with Andy and the then Regional Minister for Mission for South Wales Baptist Association, Hayley Young, to produce a series of three webinars aimed at training and encouraging those in our network of churches to use film as part of their mission effectively (see the three webinar links below). In 2021, we developed that collaboration further and after applying successfully for grant funding have now been commissioned to produce six short documentary films over the next three years highlighting issues that face young adults in the UK which will act as a challenge and encouragement to our network of churches to more effectively engage with what is often referred to as 'the missing generation' in our churches. Work begins on the first of these - a documentary on environmental justice - in 2022.

Initial webinars,

- o Creating Video Content; what to say - <https://youtu.be/MP5qTfzhy8k>
- o Creating Video Content; how to film - <https://youtu.be/YACKwxZKxFM>
- o Creating Video Content; how to edit - <https://youtu.be/Ho4EyEXvzvY>

Examples of The Fuelcast's previous work,

- o Doldrums - <https://www.thefuelcast.com/library/2022-01-10-doldrums-r3>
- o Radical Hospitality - <https://www.thefuelcast.com/library/2022-04-25-radical-hospitality>

Home Mission

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Through Home Mission Grants the Association continues to provide financial support each year to support the local mission. Home Mission Grants are awarded to help Baptist churches engage in the mission of God and share his love within their communities. All Baptist churches are encouraged to give a minimum of 5% of their annual general income to the Home Mission Fund. Grants are then allocated to local Associations by BUGB. Decisions relating to the allocation of local grants are made by the Associations Home Mission Grants Committee, with accountability through their Partnership Associations. In 2021 a total of £80,263 (2020 £79,982) was awarded by the SWBA Home Mission Grants Committee comprising of 10 mission initiatives throughout the Associations geographical area. For reports and further information on the impact, these grants are having visit: Home Mission - South West Baptist Association (swbaptists.org.uk).

Home Mission Community Day

Our Home Mission Community (those who receive Home Mission grants in the SWBA) would normally meet 2-3 times a year to review current missional practice, share encouragements and challenges, pray for each other and eat together. Covid pandemic restrictions meant this normal programme was curtailed somewhat in 2021 but we did hold an online Community Day with our partner Associations (Southern Counties, West of England and South Wales) which allowed us together to consider 'missional entrepreneurship' and to hear the experiences of three practitioners in this area of mission (see the recording of this session below). Plans are in place to meet face-to-face again in 2022.

o Getting Used to Being Different; missional entrepreneurship - <https://youtu.be/1scAS4aXpJE>

Mission Hopes and Aspirations for 2022

- o Develop our support of children, youth & family workers in our network through recruitment of a suitable SWBA CYF Mission Enabler and through training (Children & Family Resource Evening planned for March 2022)
- o Encourage our established churches in their mission as they emerge from the Covid pandemic (four day, multi-event visit of Ken Benjamin, Director of Church Relationships with the London Institute for Contemporary Christianity, planned for April 2022)
- o Develop the production of digital content that will resource our established network of churches but might also be used to reach those not yet of faith across the South West and beyond (explore the possibility of the creation of a digital studio within the Association for filming/editing).
- o Re-establish the Home Mission Community (plans for meeting/training in place for April 2022)
- o Develop a new role for SWBA Learning Community Coordinator to oversee the growing training programme but also extend it to include relevant training for the Continuing Ministerial Development of our SWBA Ministers.
- o Continue to work with The Fuelcast in the production of the young adults' documentary series.

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FINANCIAL REVIEW

The accounts show an operational surplus for the year of £10,184 (2020: deficit £64,954). This change in performance has two significant reasons. First of all, our share of the Home Mission donations received from the churches across the country increased by £57,783. This did not arise from increased church giving, which fell slightly, but was due to a large increase in legacies notified to the Baptist Union. Expenditure fell by £37,092 and this was largely due to the reduction in regional ministers from three to two. When Chris Fry left our employment, she was not replaced in the year as we took time to determine how to remodel our services to the churches. We expect to return to operating deficits in the future when this review has been concluded and appointments implemented.

A five-year budget model has been developed for the Board to demonstrate the financial viability of running this planned deficit over several years. Budgets for future years show the charity operating at an annual deficit of more than £50,000 each year for the next five years. It receives regular income through its home mission grants so it only seeks to maintain liquid reserves of around £40,000 which represents approximately two months of expenditure. At the year-end £66,104 was held in unrestricted cash funds with other debtors of £12,002 and creditors payable of £30,564. This creates current assets of £47,542 which is in line with our cash holding policy and means we will need to draw down from our investment portfolio over the next few years to fund the planned annual deficits. While these also contribute to the income of the Association the Trustees are considering how to allocate some of these funds so that they are available for other mission property investments but allowing for the anticipated future falling home mission income.

The accounts also report an increase in the investment portfolio valuation of £40,678 (2020: £36,903) and an increase in the property valuations, since the last valuation five years ago, of £214,252. This means the surplus for the year is a total of £270,221 (2020: deficit of £28,051).

The reserves reported in the balance sheet are £2,610,150 (2020: £2,339,929). This includes a property reserve of £131,049 which is invested in a staff member's home. After allowing for a bank balance of £3,273 in the Stronger Together Mission Fund, the balance of funds as set out in note 15, of £2,475,828 are unrestricted. However, this is not all available to be spent. £873,951 represents the charity office and two properties provided for the occupation of the regional ministers, after allowing for the restricted reserve which was also used to purchase a minister's home. We also own an additional property which was valued at £235,000 which is rented to a church group who are members of the Association.

We have been requested by the Baptist Union to set up a pension reserve to support the national pension deficit and the balance on this reserve is £20,000. This leaves an unrestricted general fund of £1,346,877. This includes a property currently valued at £375,000 let on a short-term tenancy arrangement which contributes to the income of the Association. The netbook value of a motor vehicle and office fixtures and equipment is £28,944 and we have loans to churches repayable in up to 10 years of £240,948. If these are excluded, then the charity has investments of £722,617 and bank balances of £66,104 supporting a pension deficit calculated at £71,280 which we anticipate will be paid in equal instalments over the next 5 years

PLANS FOR THE COMING YEAR - 2022

Some key Hopes and Aspirations for 2022 have been set out in the Ministry and Mission reports above. The Trustees are encouraged that despite significant challenges over the last two years the work of the Association has been able to grow and develop both its ministry and mission focus. Alongside this activity the Trustees have been reviewing a number of areas in Support Services. In March 2021 following on from the two Away Days two discussion papers DP1 Proposal for interim cover for 2021 and DP2 Excellence in Safeguarding the way forward was presented to the Board. From this a number of areas of change are being considered for 2022 and our hope is that this will strengthen the support the Association can bring to the ministry and mission in the South West region. Other areas we are considering for the churches are a series of training events for Trustees and Treasurers with the aim of helping them with an ever-changing sea of governance and resource management. The desire is that in helping to support strong governance in our member churches this will in turn support and grow healthy ministry and mission.

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.

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STRUCTURE, GOVERNANCE AND MANAGEMENT

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.

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STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure and how decisions are made

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

1. Setting and maintaining vision, mission and values; developing short, medium and long-term strategy; reviewing and assessing whether goals are being achieved.
2. Working with, supporting and overseeing the work of the Regional Team, delegating to them responsibility for day-to-day management.
3. 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.
4. 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
5. Making careful decisions, listening to the views of the wider constituency as far as possible, and taking outside professional advice where appropriate

The serving Staff Leadership Team in 2021 was Revd Nigel Manges, Regional Minister - Ministry, Revd Carl Smethurst, Regional Minister - Mission, and Mrs Chris Fry, Regional Minister of Operations. On 31st March 2021 Chris Fry left the Association to take up the role of minister in one of the member churches in the region. She was employed by the Association for many years and we will miss her contribution. The Trustees are using this change as an opportunity to consider God's calling to the Association considering the immediate and long-term impact of Covid-19 on the long-term needs of our member churches and its impact on our society. It will take time to determine how the ministry is developed and we are grateful for the way the staff and board members are being adaptive and flexible in continuing the day-to-day work while the Trustees work through these changes.

The Chairman and Honorary Treasurer are nominated by the Board and elected by the AGM for a term of three years. Other places on the Board (up to an additional twelve Trustees) are nominated by the Board or by any member church. Nominees are elected at the AGM for a term of three years. There are no external or additional persons or bodies who are entitled to appoint Trustees. At the AGM on 16th June 2021, Mike Law retired as Chair of Trustees (Moderator) and Steve Dengate was elected to serve in this role. Mike Law has served SWBA as Chair for many years and we are grateful for his years of sacrificial service both in supporting the Staff Team and in leading the Board over this time. Mike will continue to serve until the 2022 AGM when he will retire fully as a Trustee. Roger Redman also stood down having served two terms as a Trustee and we are grateful for all his support over these years. Roger remains as an independent voice on the Mission Sub Committee.

The Board has three sub-groups that oversee specific areas of work. The Support Services Group oversees matters relating to property, finance, safeguarding, office operations and HR. The Ministry Group focuses on matters relating to ministry, accreditation, pastoral care, newly accredited ministers and Safeguarding. The Mission Group oversees all aspects of mission including Home Mission grants, pioneers and pioneering work and church planting. Each group then reports to the full Board on key matters discussed and decisions are taken. Each of the 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.

Once a year all member churches are invited to a general meeting (AGM) where reports are given on the progress and activities undertaken by the Association. This is an opportunity for members to raise questions and give input to the work. New churches wishing to join the Association are presented to the existing members at this meeting along with a report from the Trustees and confirmation that BUGB are also happy to receive the church into membership at the same time.

SOUTH WEST BAPTIST ASSOCIATION

REPORT OF THE TRUSTEES

for the Year Ended 31 December 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT

Election and retirement of Trustees also occurs at the AGM and member churches have an opportunity also to raise matters and make decisions under the Associations Bye Laws.

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 and financial fluctuations. 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 February 2021. The Support Services Sub Committee is responsible for monitoring during the review periods and for bringing to the Trustees' attention any significant risks that might emerge during this period.

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 either of them is 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 Revd N Manges (Regional Minister: Ministry) and Revd Carl Smethurst (Regional Minister: Mission).

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

Trustees

M Law Chair of trustees until 16th June 2021
R Dymond
R P Carne Treasurer
Mrs C Fry (resigned 31.3.21)
Revd N C Manges Regional Minister-Ministry
Revd C Smethurst Regional Minister-Mission
R Redman (resigned 16.6.21)
Revd J A Henley
Revd E A Pearce
S P Dengate Chair of Trustees from 16th June 2021
A C Male

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 Revd N Manges (Regional Minister : Ministry) and Revd Carl Smethurst (Regional Minister :Mission).

SOUTH WEST BAPTIST ASSOCIATION

REPORT OF THE TRUSTEES
for the Year Ended 31 December 2021

REFERENCE AND ADMINISTRATIVE DETAILS

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 24 March 2022 and signed on its behalf by:

S P Dengate - 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 2021.

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

30 May 2022

SOUTH WEST BAPTIST ASSOCIATION

STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
for the Year Ended 31 December 2021

	Notes	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies		229,252	395	229,647	173,309
Investment income	2	19,139	-	19,139	18,891
Other income		5,385	-	5,385	23,924
Total		253,776	395	254,171	216,124
EXPENDITURE ON					
Charitable activities					
Association activities		239,095	1,500	240,595	279,394
Other		7,756	-	7,756	1,684
Total		246,851	1,500	248,351	281,078
Net gains on investments		95,785	-	95,785	36,903
NET INCOME/(EXPENDITURE)		102,710	(1,105)	101,605	(28,051)
Other recognised gains/(losses)					
Gains on revaluation of fixed assets		164,252	-	164,252	-
Net movement in funds		266,962	(1,105)	265,857	(28,051)
RECONCILIATION OF FUNDS					
Total funds brought forward		2,204,502	135,427	2,339,929	2,367,980
TOTAL FUNDS CARRIED FORWARD		2,471,464	134,322	2,605,786	2,339,929

The notes form part of these financial statements

SOUTH WEST BAPTIST ASSOCIATION

BALANCE SHEET

31 December 2021

	Notes	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
FIXED ASSETS					
Tangible assets	8	1,135,281	131,049	1,266,330	1,109,835
Investments					
Investments	9	722,617	-	722,617	681,939
Investment property	10	375,000	-	375,000	325,000
		2,232,898	131,049	2,363,947	2,116,774
CURRENT ASSETS					
Debtors	11	252,930	-	252,930	239,397
Cash at bank		62,831	3,273	66,104	87,967
		315,761	3,273	319,034	327,364
CREDITORS					
Amounts falling due within one year	12	(32,314)	-	(32,314)	(46,505)
NET CURRENT ASSETS		283,447	3,273	286,720	280,859
TOTAL ASSETS LESS CURRENT LIABILITIES					
		2,516,345	134,322	2,650,667	2,397,633
CREDITORS					
Amounts falling due after more than one year	13	(44,881)	-	(44,881)	(57,704)
NET ASSETS		2,471,464	134,322	2,605,786	2,339,929
FUNDS					
Unrestricted funds	14			2,471,464	2,204,502
Restricted funds				134,322	135,427
TOTAL FUNDS				2,605,786	2,339,929

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2021.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2021 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- 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.

The notes form part of these financial statements

SOUTH WEST BAPTIST ASSOCIATION

BALANCE SHEET - continued

31 December 2021

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 and authorised for issue on 24 March 2022 and were signed on its behalf by:

S P Dengate - Trustee

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 2019)', 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.

Fixtures and fittings	- 20% on reducing balance
Motor vehicles	- 25% on reducing balance

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.

SOUTH WEST BAPTIST ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2021

2. INVESTMENT INCOME

	2021	2020
	£	£
Rents received	16,005	16,422
Interest and dividends	1,770	1,105
Loan interest	1,364	1,364
	<u>19,139</u>	<u>18,891</u>

3. GRANTS PAYABLE

	2021	2020
	£	£
Association activities		
	<u>80,263</u>	<u>79,982</u>

All grants were payable to institutions this year and in 2020.

4. NET INCOME/(EXPENDITURE)

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

	2021	2020
	£	£
Depreciation - owned assets	7,757	4,561
Surplus on disposal of fixed assets	-	(2,878)
	<u>-</u>	<u>1,683</u>

5. TRUSTEES' REMUNERATION AND BENEFITS

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

	2021	2020
Christine Fry	8,920	38,127
Nigel Manges	37,025	35,484
Carl Smethurst	37,025	34,514

Included in these figures are pension costs of:

	2021	2020
Christine Fry	862	3,157
Nigel Manges	3,540	3,505
Carl Smethurst	3,540	3,505

Accommodation costs of £5,216 were paid for Nigel Manges and £15,394 for Carl Smethurst (2020: 3,353 and 3,701 respectively). The presentation of the comparative figures has been revised to correspond with the 2021 format for consistency. The increase in costs in 2021 related to property maintenance expenditure.

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.

5. TRUSTEES' REMUNERATION AND BENEFITS - continued**Trustees' expenses**

Reimbursed travel, subsistence and car running expenses have been paid to Christine Fry, Nigel Manges and Carl Smethurst totalling £9,722. In 2020 a total of £9,537 was paid to employed trustees.

During the year the charity has reimbursed travel, telephone and other expenses totalling £583 to three other trustees (2020: £385 to three other trustees).

6. STAFF COSTS

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

	2021	2020
Pastoral	2	3
Administration	1	1
	<hr/> 3 <hr/>	<hr/> 4 <hr/>

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

7. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	172,084	1,225	173,309
Investment income	18,891	-	18,891
Other income	23,924	-	23,924
Total	<hr/> 214,899 <hr/>	<hr/> 1,225 <hr/>	<hr/> 216,124 <hr/>
EXPENDITURE ON			
Charitable activities			
Association activities	279,394	-	279,394
Other	1,684	-	1,684
Total	<hr/> 281,078 <hr/>	<hr/> - <hr/>	<hr/> 281,078 <hr/>
Net gains on investments	36,903	-	36,903
NET INCOME/(EXPENDITURE)	<hr/> (29,276) <hr/>	<hr/> 1,225 <hr/>	<hr/> (28,051) <hr/>
Transfers between funds	<hr/> (36) <hr/>	<hr/> 36 <hr/>	<hr/> - <hr/>
Net movement in funds	<hr/> (29,312) <hr/>	<hr/> 1,261 <hr/>	<hr/> (28,051) <hr/>
RECONCILIATION OF FUNDS			
Total funds brought forward	2,233,814	134,166	2,367,980

7. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted funds £	Restricted funds £	Total funds £
TOTAL FUNDS CARRIED FORWARD	2,204,502	135,427	2,339,929

8. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures and fittings £	Motor vehicles £	Totals £
COST OR VALUATION				
At 1 January 2021	1,075,748	21,119	22,300	1,119,167
Revaluations	164,252	-	-	164,252
At 31 December 2021	1,240,000	21,119	22,300	1,283,419
DEPRECIATION				
At 1 January 2021	-	5,817	3,515	9,332
Charge for year	-	3,060	4,697	7,757
At 31 December 2021	-	8,877	8,212	17,089
NET BOOK VALUE				
At 31 December 2021	1,240,000	12,242	14,088	1,266,330
At 31 December 2020	1,075,748	15,302	18,785	1,109,835

Cost or valuation at 31 December 2021 is represented by:

	Freehold property £	Fixtures and fittings £	Motor vehicles £	Totals £
Valuation in 2021	1,240,000	-	-	1,240,000
Cost	-	21,119	22,300	43,419
	1,240,000	21,119	22,300	1,283,419

The Freehold properties were professionally valued in February 2022 and this valuation has been used as the fair value at 31st December 2021.

SOUTH WEST BAPTIST ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2021

9. FIXED ASSET INVESTMENTS

	2021	2020
	£	£
Shares	717,907	677,229
Other	4,710	4,710
	<u>722,617</u>	<u>681,939</u>

Additional information as follows:

	Listed investments £
MARKET VALUE	
At 1 January 2021	677,229
Additions	1
Revaluations	40,677
At 31 December 2021	<u>717,907</u>
NET BOOK VALUE	
At 31 December 2021	<u>717,907</u>
At 31 December 2020	<u>677,229</u>

There were no investment assets outside the UK.

Cost or valuation at 31 December 2021 is represented by:

	Listed investments £
Valuation in 2021	<u>717,907</u>

Investments (neither listed nor unlisted) were as follows:

	2021	2020
	£	£
At 1st January and 31st December 2020	<u>4,710</u>	<u>4,710</u>

SOUTH WEST BAPTIST ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2021

10. INVESTMENT PROPERTY

	£
FAIR VALUE	
At 1 January 2021	325,000
Revaluation	50,000
	<hr/>
At 31 December 2021	375,000
	<hr/>
NET BOOK VALUE	
At 31 December 2021	375,000
	<hr/>
At 31 December 2020	325,000
	<hr/> <hr/>

Fair value at 31 December 2021 is represented by:

	£
Valuation in 2021	375,000
	<hr/> <hr/>

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Memorial Loan Fund- Loans to churches	122,745	107,278
Loan to member church	118,183	131,819
Other debtors	12,002	300
	<hr/>	<hr/>
	252,930	239,397
	<hr/> <hr/>	<hr/> <hr/>

The Memorial Loan Fund is for concessionary loans and include amounts due after more than one year totalling £108,478 (2020: £94,162).

The loan to a member church relates to a property purchase and includes amounts due after more than year totalling £100,455 (2020: £115,455).

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Other creditors	29,974	16,505
Accruals and deferred income	2,340	30,000
	<hr/>	<hr/>
	32,314	46,505
	<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2021

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

	2021 £	2020 £
Other creditors	<u>44,881</u>	<u>57,704</u>

14. MOVEMENT IN FUNDS

	At 1.1.21 £	Net movement in funds £	At 31.12.21 £
Unrestricted funds			
General fund	1,239,803	266,962	1,506,765
Tangible Fixed Asset Fund	709,699	-	709,699
Mission Property Fund	235,000	-	235,000
Pension Reserve	20,000	-	20,000
	<u>2,204,502</u>	<u>266,962</u>	<u>2,471,464</u>
Restricted funds			
Capital Project Fund (Sherborne)	131,049	-	131,049
Stronger Together			
	<u>4,378</u>	<u>(1,105)</u>	<u>3,273</u>
	<u>135,427</u>	<u>(1,105)</u>	<u>134,322</u>
TOTAL FUNDS	<u>2,339,929</u>	<u>265,857</u>	<u>2,605,786</u>

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	253,776	(246,851)	260,037	266,962
Restricted funds				
Stronger Together	395	(1,500)	-	(1,105)
TOTAL FUNDS	<u>254,171</u>	<u>(248,351)</u>	<u>260,037</u>	<u>265,857</u>

14. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.1.20 £	Net movement in funds £	Transfers between funds £	At 31.12.20 £
Unrestricted funds				
General fund	1,574,863	(9,276)	(325,784)	1,239,803
Tangible Fixed Asset Fund	383,951	-	325,748	709,699
Mission Property Fund	235,000	-	-	235,000
Pension Reserve	40,000	(20,000)	-	20,000
	<u>2,233,814</u>	<u>(29,276)</u>	<u>(36)</u>	<u>2,204,502</u>
Restricted funds				
Capital Project Fund (Sherborne)	131,049	-	-	131,049
Stronger Together				
	<u>3,117</u>	<u>1,225</u>	<u>36</u>	<u>4,378</u>
	<u>134,166</u>	<u>1,225</u>	<u>36</u>	<u>135,427</u>
TOTAL FUNDS	<u>2,367,980</u>	<u>(28,051)</u>	<u>-</u>	<u>2,339,929</u>

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	214,899	(261,078)	36,903	(9,276)
Pension Reserve	-	(20,000)	-	(20,000)
	<u>214,899</u>	<u>(281,078)</u>	<u>36,903</u>	<u>(29,276)</u>
Restricted funds				
Stronger Together				
	<u>1,225</u>	<u>-</u>	<u>-</u>	<u>1,225</u>
TOTAL FUNDS	<u>216,124</u>	<u>(281,078)</u>	<u>36,903</u>	<u>(28,051)</u>

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 two properties occupied by regional ministers 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.

14. MOVEMENT IN FUNDS - continued

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.

15. RELATED PARTY DISCLOSURES

South West Pastoral Fund 2021

This fund is administered by the Regional Minister for Ministry for the South West Baptist Association. There were no financial transaction between SWBA and the Pastoral Fund. Donations of £489.50 (2020: £450), benevolent payments of £1131 (2020: £1450) were made. The balance at 31st December was £4899.91 (2020: £5541.41).

During the year the Tamlin Fund was also administered by the South West Pastoral Fund. There was no income during the year (2020: nil) and no payment was made (2020 :£2500). The balance at 31st December was £380.27 (2020: £380.27)

During the year the Sleeman Fund was also administered by the South West Pastoral Fund. There was no income during the year (2020: nil), benevolent payments of £576 were made including bank charges of £96. The balance at 31st December was £18092.21 (2020: £18668.21).

The total of Pastoral Funds combined: £23372.39.

16. 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 Broadstone Corporate Benefits 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.

16. PENSIONS - continued

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 2019

A formal valuation of the DB Plan as at 31 December 2019 by a professionally qualified Actuary using the Projected Unit Method. At the valuation date the market value of the DB Plan assets was £298 million, whilst the level of assets needed to pay benefits was £316m, giving a deficit of £18m (equivalent to a past service funding level of 94%). The 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 3.20

CPI price inflation assumption 2.70

Minimum Pensionable Income adjustment 0.50

Assumed investment returns

" Pre-retirement 2.95

" Post retirement 1.70

" Minimum Pensionable Income Increases 3.20

Deferred pension increases

" Pre-April 2009 3.20

" Post-April 2009 2.50

Pension increases based on CPI with an annual floor of 0% and annual cap of 5% 2.70

Mortality is assumed in accordance with 80% of the S3NA standard mortality table. Future improvements projected from 2013 in line with the "CMI 2019" projection with a long-term rate of improvement of 1.75% p.a. for males and 1.5% p.a. for females.

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

Recovery Plan

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

Under the current Recovery Plan signed in September 2020, deficiency contributions are payable until June 2026. These contributions are broadly based on the employer's membership at 31 December 2014 and increase annually in line with increases to Minimum Pensionable Income as defined in the Rules.

The estimated employer debt for the BPS is £40,400 (2020: £94,500).

SOUTH WEST BAPTIST ASSOCIATION

DETAILED STATEMENT OF FINANCIAL ACTIVITIES

for the Year Ended 31 December 2021

	2021 £	2020 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Baptist Union-Grant	209,466	151,682
Donations	20,181	19,988
Ministerial donation	-	1,639
	<hr/>	<hr/>
	229,647	173,309
Investment income		
Rents received	16,005	16,422
Interest and dividends	1,770	1,105
Loan interest	1,364	1,364
	<hr/>	<hr/>
	19,139	18,891
Other income		
Preaching fees and other income	2,409	2,129
Courses	1,413	3,038
Ministers' conference	1,563	14,021
Member church support	-	4,736
	<hr/>	<hr/>
	5,385	23,924
Total incoming resources	<hr/> 254,171	<hr/> 216,124
EXPENDITURE		
Charitable activities		
Salaries and employment costs	99,860	117,302
Staff property and reimbursed expenses	22,946	16,591
Consultancy	6,886	3,471
Travel expenses (not ministerial)	1,999	1,315
Property costs	2,422	2,983
Events	1,436	14,209
Office costs	1,291	1,176
Printing, stationery, postage and telephone	5,069	6,139
Property costs (Wonford)	8,740	6,420
Training	100	435
BU pension deficit	-	14,215
Internship support	-	6,000
Sundry expenses	502	-
Grants to institutions	80,263	79,982
	<hr/>	<hr/>
	231,514	270,238
Other		
Fixtures and fittings	3,060	114
Carried forward	3,060	114

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SOUTH WEST BAPTIST ASSOCIATION

DETAILED STATEMENT OF FINANCIAL ACTIVITIES

for the Year Ended 31 December 2021

	2021 £	2020 £
Other		
Brought forward	3,060	114
Motor vehicle depreciation	4,696	4,448
Loss on sale of tangible fixed assets	-	(2,878)
	<u>7,756</u>	<u>1,684</u>
Support costs		
Management		
Independent examiner's fee - independent examination	780	720
Independent examiner's fee- accountancy	1,560	1,230
	<u>2,340</u>	<u>1,950</u>
Governance costs		
Legal & professional fees	-	1,028
Trustee costs	1,375	1,351
Portfolio management	5,172	4,679
Bank charges	194	148
	<u>6,741</u>	<u>7,206</u>
Total resources expended	<u>248,351</u>	<u>281,078</u>
Net income/(expenditure)	<u>5,820</u>	<u>(64,954)</u>

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