



West of England Baptist Association

(A Company limited by Guarantee)

ANNUALREPORT&ACCOUNTS

for the year ended 31 December 2018

Registered in England Company number: 04326752

Charity number: 1092443

Contents Page	2
Trustees' report	3
Objectives and activities	3
Achievements and performance	4
Financial review, investment performance and Principal financial management policies	9
Reference and administrative information	11
Structure Governance and Management	13
Statement of trustees' responsibilities	15
Independent examiner's report	16
Statement of financial activities	18
Cash flow statement	20
Balance sheet	21
Notes to financial statements	22
Statement of funds	32
Support fund	37

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## **Report of the trustees for the year ended 31 December 2018**

The trustees are pleased to present their report with financial statements of the charity for the year ended 31 December 2018.

Reference and administrative information set out on pages 11 and 12 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association, the Accounting and Reporting by Charities: Statement of Recommended Practice (SORP FRS 102) and in accordance with the special provisions for small companies under the Companies Act 2006.

### **Objectives and Activities**

#### **Public Benefit**

The trustees have considered the Commission's guidance on public benefit under the Charities Act 2011 and, in particular, the specific guidance on charities for the advancement of religion. Detail of the work of the Association is covered more completely in the Activities and Achievements sections of this report.

#### **Objects of the charity**

The principal object of the charity continues to be the advancement of the Christian faith, especially by the means of, and in accordance with, the principles of the Baptist denomination as set out for the time being in the Declaration of Principle of the Baptist Union of Great Britain.

In fulfilling the objects of the Association trustees devised a purpose statement a few years ago which remains core to programmes and activities: -

“The West of England Baptist Association is a fellowship of Baptist Churches Encouraging each other and Growing healthy congregations by Enriching relationships, developing ministry and Enabling fruitful mission”.

## Achievements and Performance

### WEBA activities throughout 2018:-

The Association represents and serves a network of Baptist churches worshipping and working in the West of England, seeking to encourage our congregations in their mission as God's people. The trustees are responsible for setting and monitoring the achievement of the Association's strategy: this continues to be shaped by the "Building Momentum" document as currently adopted. There are some particular aspects, within 'Building Momentum', where we believe 2019 needs to see some movement forwards:

- More helpfully articulating the practical outworking of the BU Declaration of Principle.
- Reviewing our publicity & branding, in the light of our greater ownership of the realities of 'network' & 'associating', over the institutional framework of 'Church' and 'Association'.
- Consolidating our WEBA identity, in relation to the Declaration of Principle & the Bible, as well as the understanding of our place within the Baptist Union (re governance & finance).
- Increasing intentionality regarding both planting new churches, as well as transitioning established ones.
- Increasing resources towards both planting new churches, as well as transitioning established ones.
- Consolidating our Baptist understanding of marriage, in order to better address the myriad of related pastoral practice issues.
- Developing our financial strategy for sustainable development and growth.
- Clarifying the relationships between the WEBA, WEBTC and Payroll Companies.
- Initiating developments to address future missional leadership requirements.

### Focus of our work:

The core element by which we support and help to equip our churches in their work and witness in the mission of God is the settlement of ministers. This is part of a national network throughout the Baptist family that facilitates both churches and ministers when they seek settlement. Our regional ministry team are engaged on a monthly basis as they seek to assist all our churches with the settling of appropriate leadership for the future life and witness as Baptists in the West of England. This is not restricted to those who have opted into the formal settlement process.

*Seventy-two:* This network has continued to move forward steadily gaining momentum and awareness, as a missional catalyst, "Finding our way in the mission of God".

*Re-imagine,* our missional learning community continued to be of significant value to leadership teams in our Association. Additionally we were delighted to be given the opportunity to take on more responsibility within the BUGB framework. This would involve Leadership Teams in churches to take on a national perspective and to be adopted by other Associations within the Baptist family. Within WEBA, five churches signed up this year to be part of the learning community with a view to transforming their missional landscape in terms of culture, discipleship, leadership and mission. Our involvement with Spring Harvest was once again a great opportunity for us to work together with some of our partners. With our bespoke stand we were well equipped to seize the opportunity in the mission of God.

*Forge Mission:* Training Hub got off to a slightly slower start than was anticipated. Although momentum is proving hard to build, the potential is still encouraging. We are now exploring more flexible delivery packages for the South, West and Wales with Forge England and Wales.

**Ensuring our work delivers our aims:**

We undertook a safeguarding review of all the WEBA files. There were a number of situations highlighted through this review. All the safeguarding concerns investigated revealed that they either have been appropriately reported to the police or been dealt correctly by the church. These were investigated by the WEBA RM overseeing safeguarding – advice sought from the BUGB’s safeguarding team – reviewed by the WEBA safeguarding trustee for safeguarding and reported to the WEBA’s trustees. The association, with support of the national safeguarding team, have supported churches who have safeguarding concerns. As an association we have developed a network of BUGB trainers who have undertaken training across our network of churches. All our ministers have completed level 2 and 3 safeguarding training and undertaken a DBS.

*Association Partnership:* Our partnership, with three other geographically linked associations, Southern Counties, South West and South Wales, has grown and developed establishing agreement for collaboration in three particular areas: -

- Ministerial Recognition.
- A combined Staffing Advisory Group.
- Mission across BUGB under the umbrella of “Seventy-two” (Luke 10).

This is an evolving working relationship that has grown and been enriched by the Partnership Retreat that we once again shared together in May. This short time, just twenty-four hours spent together at Langasty Retreat House in the beautiful Brecon Beacons, in quiet reflection was ably and sensitively led by the Rev Rob Filgate.

*Two areas of consultation:* We felt that it would be helpful to ask all of our churches to re-affirm the BU stance regarding Christian marriage, particularly with regard to SSM and the way in which we manage Home Mission giving. Following our sending out of a consultation document at our annual gathering of churches and the subsequent feedback received, Rev Nigel Coles, Team leader and Rev Steve Robinson, chair of Trustees, met with Lyn Green, General Secretary of BUGB and Rev Andy Hughes from “Ministries Team” at Baptist House to discuss both areas. Following a subsequent meeting, later in the year with the General Secretary and chair of BUGB Trustees, a helpful discussion was had resulting in a level of understanding being achieved by all present.

*Home Mission Ambassadors:* With a view to supporting our churches and promoting a partnership ethos in giving to Home Mission. Rev Alisdair Longwill, RM, gathered together a small team of people who will serve as HM Ambassadors within the association. They will be available to take HM services in our churches, with the aim of sharing information and encouragement regarding our HM ‘granted’ churches/emerging expressions of church.

*Regional Staff:* The regional team is headed up by Rev Nigel Coles ably supported by Rev Alisdair Longwill and Rev Gary Woodall. Alisdair heads up the Home Mission Grants and has oversight of the churches in Swindon, Gloucestershire and the Forest of Dean, whilst Gary heads up Safeguarding and MRC and has oversight of churches in North Somerset, Bristol, Bath and Wiltshire (beyond Swindon). Nigel has overall responsibility and management for all the Regional Team's work, strategy and vision. He also is part of the National Settlement Team for ministry across the network. Nigel represents the Association on various national groups and forums. The team continues to engage in national BUGB life and in particular, attendance at Baptist Union Council.

*WEBA Staff:* We are grateful to the small band of mainly part-time staff that runs our regional office, for their hard work, dedication and commitment, their expertise in many and varied fields. Ruth Whiter our communications specialist announced that she would be leaving us at the end of July to join BMS. Ruth had worked at WEBA for ten or more years and was a key member of the team. Many churches within WEBA and individuals will have benefited in some shape or form from her amazing skill and gifting in creative animation, thoughtful and original design with publicity all driven by a personal uncompromising standard of excellence. Or you may have just encountered her efficient un-flustered manner at the end of a telephone enquiry. Ruth is a consummate professional and BMS's gain is our huge loss. Alex Drew our event's organiser achieves the impossible with her skilful and intuitive administration. This is the key to WEBA's priority in delivering well planned, organised events and meetings that are both informative and of the highest standard. Alex also serves as Nigel Coles' PA. Our finance manager, Matt Filsell, a Chartered Accountant, ably supervises the day to day running and processing of WEBA's finance. This is a key position within the organisation with many demands being made on Matt's time who works just two days each week. Rob English is WEBA's Manager and Company Secretary. He also is a Director of the BUC and attends Baptist Union Council. Whilst a good deal of time is taken up with property and legal issues Rob deals with a plethora of administrative and general enquiries from the regional team and churches across the network. We extend a big "thank you" to the whole team for their commitment and enthusiasm but above all their devotion to the work of the Kingdom in the life, work and witness of Baptists in the West of England. Our Staffing Group recommended a re-evaluation of the office and admin support staff roles, in relation to remuneration. This is to ensure we are acting as reasonably as we can and paying appropriate levels commensurate to the tasks performed.

*Trustees:* Equally, we are indebted to our Trustees who have accepted the call of God to be part of the governing body of our Association. They shoulder the responsibility and decision making for the future strategy, life and witness of our network of churches. They are a group of volunteers who look to God for vision and each other for mutual support. Drawn from a variety of backgrounds they bring a variety of expertise and skill sets that provides wisdom and equips them in their decision making. The Trustees having a statutory duty to ensure good management, governance and leadership also deal with financial matters, working on our ongoing relationship with BUGB and responding to an increasing demand in applications for loans from our member churches for Kingdom building projects. The Trustees continue to review WEBA's strategy as well as overseeing day to day operations.

*Office relocation:* Whilst the regional staff have been very happy and indeed comfortable in the working environment of the "Old Forge" for a number of years the reality had to be faced that we had out grown the space available. In recent years consideration had been given via

feasibility studies and the like to relocate to new premises but all to no avail. However, early in the year we began a conversation with Little Stoke Baptist Church that was proven to be fruitful for both the church and WEBA. With some targeted alterations and creative construction a new home has been created that meets all our needs as a regional office and provides stability and a promising partnership for the church.

*AGM:* In July we held our AGM and Summer Gathering at Wotton Baptist Church. People from across the network gathered in an atmosphere of worship and consciousness of the need to transact the necessary annual business. We celebrated the good things that God is doing throughout our network of churches. The meeting was preceded by a sumptuous tea graciously provided by the church that was thoroughly enjoyed by all and set the scene for the whole proceedings.

### **How we delivered to our Network of churches:**

*Thy Kingdom Come:* A visionary initiative led by the Archbishops of Canterbury and York. A call to prayer focusing on the week before Pentecost. We decided that we would likewise make it a focus for our network throughout the year. To that end we planned five prayer-focused Network gatherings and many more local Prayer Nights.

*Home Mission Community Day:* We held our second WEBA HM Community Day on Saturday 10<sup>th</sup> March. It was attended by 18 people from 8 churches/emerging expressions of church. This event once again proved to be highly worthwhile, enabling some input, encouragement, fellowship, and the sharing of ideas, information and resources. This is now an annual fixture in the WEBA diary.

*“Invest” Leadership development:* Invest was developed following discussions with a few Church leaders who recognised that there are people in their Church who are gifted by God in particular areas of their life. Invest seeks to encourage and provide opportunity for a small cohort of people to give a day a week to develop their gifts for a year to help them become more missional in their lives.

*Children Family & Youth:* Bob Morris our CFY lead has been working with the paid CFY workers in our churches. They meet regularly and are looking at ‘re-branding themselves’ from WEBAY to something that describes who they are appropriately. Following the training session last year, the group, with the help of Bob, is putting on a new association wide training day in November. There are also plans underway for a training day next year on Messy Church led by the BU President.

### **Who used and benefited from our work:**

*Home Mission:* We are keenly aware of a downward trend in churches giving to the Baptist Union’s Home Mission Fund. A challenging financial environment presents WEBA staff with the task of creating an awareness and understanding of both the opportunities for creative engagement in the mission of God and the need for the systematic giving and support to HM. In response to this we developed, “Home Mission Ambassadors”, as mentioned earlier in the report.

Throughout the year we continued discussion on our current Home Mission grants process and how we might improve aligning our resources with the most effective missional strategies through our local churches.

*Ministers' Conference:* In February we once again gathered at Saunton Sands Hotel North Devon for our Ministers' Conference. The splendid accommodation, hotel setting and, not least, the view, were somewhat upstaged by the unexpected and amazing sight of a white beach as a result of falls of snow. This set the scene for practically the duration of the conference and proved not only a novelty for the attendees but a source of amazement for hotel staff. This did not dampen the enthusiasm or spirit of the eighty or so delegates who were able to relax in the very comfortable surroundings enjoying the fellowship and teaching of Krish Kandiah from "Home for Good" and Ruth Rice of "RenewWellbeing".

*Missional Networkers:* Following on from and as a direct result of the interest created at the conference, we decided to explore a partnership possibility with Ruth Rice & RenewWellbeing. During the course of the year a number of our churches approached Ruth and made arrangements to explore further what this initiative involved and whether there was opportunity to promote it within their own churches and communities.

*Pioneer-planting catalyst:* We identified the need for more intentional support and coaching as a particular weakness within our network that we wished to address. We were anticipating an appointment that would bring additional energy and impetus to existing plans, as well as innovation. Following discussion with and the agreement of the Trustees the Regional team began a conversation with a potentially suitable candidate. It looks likely that following the interview process an appointment could well be made early in 2019.

We are extremely grateful and thank God for all those who faithfully serve our Churches especially to many who minister through the Association its teams and informal groups. We are in partnership with this incalculable number of very willing and committed volunteers who give freely and gladly give of their time to growing healthy churches in relationship for God's mission.

## **Financial review**

The charity has claimed exception from preparing consolidated accounts as permitted by the Statement of Recommended Practice (SORP FRS102) and Accounting Regulations, as the income of the group is below the relevant threshold of £1,000,000. Individual accounts for each entity have been prepared with the West of England Baptist Trust Company being independently examined and West of England Baptist Payroll Company being subject to an accountant's report. Copies of the accounts are available from the charity's registered office. The statement of financial activities for the year is set out on page 17. The charity reports an overall deficit for the year of £125,905 across all funds. The unrestricted General Fund reported an overall surplus of £40,136. During the year one new church support loan was made for £25,001 but with repayments of £41,872 being made during the year the outstanding balance on support loans reduced to £168,637.

The principal source of funding remains the Home Mission grant from the Baptist Union of Great Britain. The amount of the grant is governed by how much individual churches decide to donate directly to the Baptist Union and therefore the Association has no control over this part of its income. The funding of Associations continues to be the subject of a major Financial Review of both the finances of the Baptist Union of Great Britain and the 13



Associations. In 2018 the charity received a total Home Mission grant of £214,186 (2017: £228,213). The Association splits the grant between a core element used to fund the infrastructure of the Association, and individual grants to churches. The core element of the grant was used to fund the cost of the regional ministers and regional support staff. Their work in turn helped to support churches in the achievement of their objectives.

The Trustees are indebted to the substantial support provided by the many volunteers but are unable to put any financial evaluation into the accounts because it is unable to quantify such assistance.

### **Subsidiary companies**

The subsidiary trust companies, which are non-profit making, provide support to the churches regarding church and manse properties held in trust. The subsidiary payroll company provides a full payroll service for churches that wish to outsource their payroll to a trusted provider.

Several of our churches are faced with important decisions as to what to do with their existing buildings, particularly where there are restrictions because of listed building status. The board members of the Trust companies continue to give unstintingly of their time and experience in assisting those churches under their care.

With the introduction of the HMRC Real Time Information (RTI) and Auto Enrolment (AE) requirements, the Payroll Company has continued to grow under the expert attention of their staff, where the company has extended its services to both churches and staff of other Associations. This is an increasingly important service provided to churches and seen as best practice amongst other Associations in the Baptist Union.

We are grateful for the support provided to the subsidiary companies by volunteers who give valued specialist advice both to the Trust Officer and the churches in relation to their buildings.

### **Related parties**

The charity is a member of the Baptist Union of Great Britain. The Association currently receives significant grant funding from the Baptist Union and details of this are set out in the notes to the financial statements.

See also under 'Organisation' for details of relationships with subsidiary companies

### **Investment performance**

The Association portfolio is held by the Trust Company, in order to minimize the management fees and to improve performance. The current economic climate continues to affect the stock market values and some further losses were incurred during the year despite the anticipated improved performance of managing a larger portfolio. The ethical basis of investment does continue to have some impact on the actual performance of its portfolio against the overall market trends shown in market benchmarks. The Trust Company Trustees regularly monitor performance trends and, following a review at the year-end a further decline in performance much in line with market performance was noted. The Investment managers continue to provide an excellent and improved service with reasonable dividend returns.

## **Principal Financial Management Policies**

### **Reserves policy**

The need for reserves: the Association needs both short and long-term reserves where income derived from these sustains current and future cash flow and helps to meet projected expenditure. The Association is financially supported by an annual grant from the Baptist Union of Great Britain Home Mission (BUGB). During the year the Finance Team and Trustees initiated a three-year funding strategy to ensure that it was able to sustain the Association's missional strategy.

The level of reserves:

In considering the appropriate level of reserves the Board took into account the review of staffing requirements and their strategic policies. Given the on-going review of the BU grant the existing level of reserves was to be retained although consideration was to be given to try to utilise some of the reserves to fund mission opportunities.

Free reserves held by the charity at the year end total £40,136. Free reserves are considered to be total funds of £2,220,331 less restricted funds of £55,262, endowed funds of £741,966 and designated funds of £1,382,967. The trustees have a policy to hold free reserves below £100,000 due to the low operating costs of the charity and the Trustees' desire to designate funds received towards projects or causes. The Trustees are satisfied that free reserves are within their policy requirements at the year end.

### **Investment policy**

During the previous financial period it was decided to group together the investment portfolios of the Association and West of England Baptist Trust Company for the better performance of the combined portfolio, this also has the benefit of reducing management charges. All the individual funds within the portfolio are held in trust for the respective churches.

Under the memorandum and articles of association the charity has the power to make any investment that the trustees see fit. The investment policy is a balanced one of income and growth to ensure adequate income for the day to day needs of the charity coupled with capital growth to maintain and increase over time the value of the portfolio to protect the charity against inflation and to ensure the charity has the ability to meet major capital projects should it be needed, particularly church planting opportunities. The investment policy is reviewed annually and the benchmarks agreed with the investment managers for the year was to achieve 3.8% income return and maintain a minimum portfolio worth of £500,000 which follows the ethical guidelines prescribed by the Baptist Union.

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## Reference and administrative information

### Constitution

West of England Baptist Association is a company limited by guarantee and a registered charity governed by its memorandum and articles of association and byelaws.

Charity number: 1092443

Company number: 04326752

### Directors and trustees

The Directors of the charitable company (“the charity”, “the company” or “West of England Baptist Association”) are its trustees for the purposes of charity law and throughout this report are collectively referred to as the trustees or the Executive. As set out in the Bye-Laws pursuant to the Articles of Association, the Officers of the Association, Moderator, Secretary, Company Secretary, Honorary Treasurer and Regional Ministers shall be nominated by the trustees, following consultation with member churches, to the Annual General Meeting. Periods of service shall be decided by the trustees and notified to the AGM.

Appointment or re-appointment of trustees is subject to nomination from appropriate geographical groups of churches for submission to the AGM. Members shall serve for four years. The trustees have the power to co-opt additional members. The trustees serving during the year and since the year end were as follows: -

### Officers

Phillip Poole – Honorary Treasurer, Nigel R Coles – Regional Minister & Team Leader, Alisdair Longwill and Gary Woodall – Regional Ministers and Stephen Robinson Chair of Trustees

### Executive Members

Jane Riches (retired December 2018); Graham Sims; Stephen Robinson; Stephen Finamore; Philip Poole; Steve Christian and Simon Gray (appointed July 2018).

### Company Secretary

Robert English

### Registered Office

Little Stoke Baptist Church, Kingsway, Little Stoke, Bristol. BS34 6JW.

## **Independent examiner**

Neil Kingston FCA, Burton Sweet, Chartered Accountants, The Clock Tower, Farleigh Court, Flax Bourton, Bristol BS48 1UR

## **Bankers**

CAF Bank Limited, Kings Hill, West Malling, Kent. ME19 4TA

HSBC Bank plc, 62 George White Street, Cabot Circus, Bristol BS1 3BA

## **Solicitors**

Clarke Willmott, Blackbrook Gate, Blackbrook Park Avenue, Taunton TA 1 2PG

## **Investment Advisors**

Charles Stanley & Co Limited, 25 Luke Street, London. EC2A 4AR

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## Structure, Governance and Management

### - Recruitment and Appointment of Trustees

The Directors of the charitable company (“the charity”, “the company” or “West of England Baptist Association”) are its trustees for the purposes of charity law and throughout this report are collectively referred to as the trustees or the Executive. As set out in the Bye-Laws pursuant to the Articles of Association, the Officers of the Association, Moderator, Company Secretary, Honorary Treasurer and Regional Ministers shall be nominated by the trustees, following consultation with member churches, to the Annual General Meeting. Periods of service shall be decided by the trustees and notified to the AGM. The Company Secretary is a non-voting trustee.

Appointment or re-appointment of trustees is subject to nomination from appropriate geographical groups of churches for submission to the AGM. Members shall serve for four years. The Executive has the power to co-opt additional members.

Training has been organised for Trustees and all new trustees are provided with details of their roles and responsibilities and when necessary the trustees receive training on their responsibilities.

### - Organisation

The charity is governed by a Board of Trustees, (The Executive) who meet regularly to discuss fulfilment of aims, objectives and purpose statement of the Association. The trustees operate in between meetings through two teams that report directly to the trustees. Each team has its own terms of reference for dealing with various aspects of Association life and each has its own Team leader:-

Finance Team: Moderator – Mr. Philip Poole

Staff Advisory Group: Moderator – Graham Sims

The trustees and teams are supported by a small number of part-time staff who perform various administration duties.

At the Annual General Meeting, all churches that make up the Association have the opportunity to send delegates and approve agenda business.

The West of England Baptist Trust Company Limited (WEBTC) is a wholly owned subsidiary charitable company of the Association. This company operates through one Board that has joint directors and trustees appointed by the Association. The objects of the WEBTC charitable company is to act as custodian trustee, and in conjunction with the respective managing trustees, take responsibility for the property and investment portfolios, held in trust, on behalf of churches in Bristol, North Somerset and South Gloucestershire, Wiltshire, Swindon, and East Somerset for WEBTC areas. The Association has one other wholly owned subsidiary company, The West of England Baptist Payroll Company Limited which handles the payroll service on behalf of churches. This is a non-profit making company whose costs are met from subscriptions paid by churches that use the service. The WEBA Trustees following recommendation from the Finance team appoint the directors of this company.

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**Statement of trustees' responsibilities**

The trustees (who are also directors of West of England Baptist Association for the purposes of company law) are responsible for preparing the Trustees' Report (incorporating the directors' report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

Approved by the trustees and signed on their behalf by:

.....  
R. English,

Association Manager and Company Secretary

Dated ..... 2019

## **Independent examiner's report to the Trustees of West of England Baptist Association**

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 December 2018.

### **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 the Company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales, 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.

Neil Kingston FCA

Burton Sweet Chartered Accountants  
The Clock Tower  
Farleigh Court, Old Weston Road  
Flax Bourton, Bristol, BS48 1UR

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**Statement of financial activities**  
**For the year ended 31 December 2018**

	Notes	Unrestricted	Restricted	Endowment	Total 2018	Total 2017
		£	£	£	£	£
<b>INCOME FROM:</b>						(Restated)
Donations	2	272,960	2,683	-	275,643	289,605
Investments	3	33,005	-	-	33,005	25,041
Charitable activities	4	93,055	-	-	93,055	80,236
Other income:		17,746			17,746	70,889
<b>Total Income</b>		<u>416,766</u>	<u>2,683</u>	<u>-</u>	<u>419,449</u>	<u>465,771</u>
<b>EXPENDITURE ON:</b>						
Charitable activities	5	475,263	25,969	-	501,232	497,481
<b>Total Expenditure</b>		<u>475,263</u>	<u>25,969</u>	<u>-</u>	<u>501,232</u>	<u>497,481</u>
Investment gains/(losses)		14,921	-	(59,043)	(44,122)	32,340
<b>Net income/expenditure and Net Movement in Funds</b>		<u>(43,576)</u>	<u>(23,286)</u>	<u>(59,043)</u>	<u>(125,905)</u>	<u>630</u>
<b>Reconciliation of Funds</b>						
Total funds brought forward 1 January 2018		1,466,679	78,548	801,009	2,346,236	2,345,606
<b>Total Funds at 31 December 2018</b>	18	<u>1,423,103</u>	<u>55,262</u>	<u>741,966</u>	<u>2,220,331</u>	<u>2,346,236</u>

2017 Fund comparatives can be seen in note 9

All gains and losses arising in the year are included in the Statement of Financial Activities and derive from continuing activities.

The accompanying notes form an integral part of these financial statements.

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**Summary income and expenditure account**  
**For the year ended 31 December 2018**

	<b>Total 2018 £</b>	<b>Total 2017 £ Restated</b>
Total Income	419,449	465,771
Total Expenditure	(501,232)	(497,481)
Investment gains	14,921	-
Net income/(expenditure) for the year	<u>(66,862)</u>	<u>(31,710)</u>

**Cash Flow Statement**

For the year ended 31 December 2018

	<b>Notes</b>	<b>2018</b> £	2017 £ (Restated)
<b>Net cash inflow from operating activities</b>	16A	(121,802)	(52,992)
<b>Investment income</b>		33,005	25,041
<b>Non-operational cashflows</b>			
<b>Capital expenditure and financial investment:</b>			
- Payments for tangible fixed assets		(3,016)	(1,508)
- Payments for investments acquired		(151,081)	(176,398)
- Receipts from sale of investments		68,895	149,888
- Receipts from sale of property		-	74,424
<b>Financing:</b>			
Net cash inflow/(outflow) for the year	16B	(173,999)	18,455

**Cashflow restrictions**

Charity law prohibits the use of net cash inflows on any endowed or other restricted fund to offset net cash outflows on any fund outside its own Objects, except on special authority. In practice, this restriction has not had any effect on group cashflows for the year.

**Balance Sheet****As at 31 December 2018**

		<b>Total 2018</b>	Total 2017 (Restated)
		£	£
<b>Fixed assets</b>	Note		
Tangible assets	10a	490,483	489,617
Investments	11	749,396	898,577
Programme-related investments	12	837,286	854,156
		<u>2,077,165</u>	<u>2,242,350</u>
<b>Current assets</b>			
Debtors	13	37,413	13,813
Cash at bank and in hand	14	118,150	104,902
		<u>155,563</u>	<u>118,715</u>
<b>Creditors: amounts falling due within one year</b>	15	(12,397)	(14,829)
<b>Net current assets</b>		<u>143,166</u>	<u>103,886</u>
<b>Total assets less current liabilities</b>		<u>2,220,331</u>	<u>2,346,236</u>
<b>Net Assets</b>		<u>2,220,331</u>	<u>2,346,236</u>
<b>The funds of the charity:</b>			
<b>Unrestricted funds:</b>			
General	17	32,833	-
Designated		<u>1,390,270</u>	<u>1,466,679</u>
		1,423,103	1,466,679
<b>Restricted</b>	17	55,262	78,548
<b>Endowment</b>	17	741,966	801,009
<b>Total funds</b>		<u>2,220,331</u>	<u>2,346,236</u>

For the year ended 31st December 2018 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006. The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts.

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

Approved by the trustees ..... and signed on their behalf by:

.....

Rev Steve Robinson

Chair of Trustees (Formerly Moderator)

**Company number: 4326752**

The accompanying notes form an integral part of these financial statements.

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**Notes to financial statements**

**31 December 2018**

**1 Accounting policies**

**Basis of accounting**

The financial statements are prepared under the historical cost convention, as modified by the inclusion of fixed asset and investments at market values, and in accordance with the Financial Reporting Standard 102, the Charities Act 2011, the Statement of Recommended Practice, (SORP FRS 102), and the Companies Act 2006.

The trustees consider that there are no material uncertainties about the Association's ability to continue as a going concern.

The association constitutes a public benefit entity as defined by FRS 102.

**a) Income**

Income from grants, donations and other voluntary income are recognised once the charity has entitlement to the income, there is sufficient certainty of receipt and the amount can be measured reliably. Legacies are recognised when it is probable that they will be received and the amount can be measured with sufficient reliability.

**b) Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to the expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis.

*Charitable activities*

Expenditure relates primarily to staffing and support costs required to enable the charity to serve the Baptist Church communities in the West of England. The support is wide ranging and involves pastoral care of ministers and churches, support for outreach, new church planting, buildings, youth work, training, payroll service and finance. In addition, the charity makes a number of grant payments to Baptist churches and to support different ministries including the Churches Together bodies across the region.

*Governance Costs*

Governance costs are associated with constitutional and statutory requirements, including those costs associated with the strategic management of the charity's activities. These are included within support costs.

**c) Pension costs**

The charity makes contributions to the Baptist Pension Scheme (formerly Baptist Minister's Pension Trust Limited and the Baptist Union Staff Pension Trust Limited). Pension costs are charged to the Statement of Financial Activities as incurred.

**d) Tangible Fixed Assets**

Tangible fixed assets are stated at cost and fixed asset investments are stated at market value or at the trustees' best estimate of market value.

Depreciation is provided on all tangible fixed assets at annual rates calculated to write off the cost, less estimated residual value, of each asset on a straight line over its expected useful life, as follows:-

Office equipment – 25%

No depreciation is charged on freehold property or land as in the opinion of the trustees the properties have a long useful life. An assessment of the recoverable value of the asset is made on an annual basis.

**e) Investments**

Investments held as fixed assets are stated at their market value as at the balance sheet date. Differences in market values from the previous year are accounted for as unrealised gains or losses.

## 1 Accounting policies (*Continued*)

Investments are managed on behalf of the company on a discretionary basis by Charles Stanley to achieve a balanced return from income and capital growth, whilst accepting a moderate level of risk. Investment Guidelines, determining the strategic distribution of funds are agreed by the trustees periodically. Charles Stanley may exceed these guidelines, but only after seeking the authority of the trustees. The trustees also follow the Baptist Union of Great Britain Investment Policy for ethical investments which restricts investment in companies with significant trading interests in armaments, alcohol, gambling or tobacco, where "significant" is taken to mean greater than 5%.

Charles Stanley are not responsible for the management of the company's tangible fixed assets, loans granted or cash held directly in the name of the company.

Income from investments is accounted for when receivable.

### **f) Fund accounting**

Funds held by the charity are either:-

- *Unrestricted general funds* – these are funds which can be used in accordance with the charitable objects at the discretion of the trustees;
- *Designated funds* – these are funds set aside by the trustees out of unrestricted general funds for specific purposes or projects;
- *Restricted funds* – these are funds that can only be used for particular restricted purposes within the objects of the charity.
- *Permanent endowment* - was created following a Charity Commission scheme following the closure of the Avening Baptist Church in 1995. The capital of the scheme restricted the use of the fund to the churches within the South Gloucestershire area
- *Expendable endowment* - represents the company's investments of which the purpose of the fund is to generate income for the on-going work of the Association.

Expenditure which meets these criteria is charged to the funds.

Further explanation of the nature and purpose of each fund is included in note 17.

### **Current assets**

Amounts owing to the Association at 31 December in respect of fees, rents or other income are measured on initial recognition at settlement amount after any trade discounts or amount advanced by the Association. Subsequently, they are measured at the level of cash or other consideration expected to be received.

### **Cash at bank and in hand**

Creditors and provisions are recognised when the Association has a present obligation arising from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably.

Liabilities are measured on recognition at their historical cost and then subsequently at the best estimate of the amount required to settle the obligation at the reporting date.

### **Realised gains and losses**

All gains and losses are taken to the SoFA as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or purchase value if purchased during the year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value.

### **Grants**

There are effectively three kinds of Home Mission Grants:

- Mission through Ministry Grants (awarded to established churches)
- Special Ministry Grants (awarded to developing new expressions of church & missional communities)
- Mission Project Grants (one-off grants awarded as seed funding for a mission project)

### 1 Accounting policies (continued)

#### Grants (continued)

Each association is allocated a budgeted sum of money which it can then award as Home Mission grants within its association. The relevant forms are issued at the beginning of the year and various churches/new expressions of church etc. can then submit a grant application. Once these have been received back and collated, the association Home Mission Grants Awards Group meets to consider all the applications. This group make provisional decisions regarding the awarding of grants; these are then brought to the association Trustees for ratification; and the final step (which offers the element of accountability to our association partners) is the presentation of the proposed grants to the inter-association Partnership for their consideration and eventual approval (for WEBA the inter-association partners are South Wales Baptist Association; South West Baptist Association; and Southern Counties Baptist Association).

### 2 Income from Donations

The following donations, legacies and grants were receivable during the year:-

	Unrestricted	Restricted	Endowment	Total 2018	Total 2017
	£	£	£	£	£
Home Mission Funding	214,186	-	-	214,186	228,213
Home Mission Special Ministry Grants	4,730	-	-	4,730	2,050
Donations	37,215	-	-	37,215	41
New Churches Fund	12,599	-	-	12,599	19,933
WeBox Appeal	4,230	-	-	4,230	5,882
Seventy-two	-	2,683	-	2,683	33,486
	<u>272,960</u>	<u>2,683</u>	<u>-</u>	<u>275,643</u>	<u>289,605</u>

The charity has a close relationship with the Baptist Union of Great Britain (which is also a charity) and receives significant funding from it. The Home Mission funding is a share of the monies donated to the Baptist Union of Great Britain by churches in the area covered by the Association.

Grants for Churches Together within the Association area and for special projects are now allocated separately following a restructuring of the way in which the Baptist Union Home Mission grants are distributed.

### 3 Income from Investments

	Unrestricted	Restricted	Endowment	Total 2018	Total 2017
	£	£	£	£	£
Income from investments	32,997	-	-	32,997	24,960
Bank interest	8	-	-	8	81
	<u>33,005</u>	<u>-</u>	<u>-</u>	<u>33,005</u>	<u>25,041</u>

### 4 Income from Charitable activities

	Unrestricted	Restricted	Endowment	Total 2018	Total 2017
	£	£	£	£	£
Church income re Regional Ministers	2,336	-	-	2,336	3,306
Subsidiary companies - payroll & management charge	16,110	-	-	16,110	30,077
Programme related investment income	32,106	-	-	32,106	28,688
Training courses	92	-	-	92	77
Ministers Conference	6,060	-	-	6,060	10,942
Committees & conferences	36,351	-	-	36,351	7,146
	<u>93,055</u>	<u>-</u>	<u>-</u>	<u>93,055</u>	<u>80,236</u>

**5 Expenditure on Charitable activities**

	Unrestricted	Restricted	Endowment	Total 2018	Total 2017
	£	£	£	£	£
Assemblies, Conferences & Events	21,521	-	-	21,521	17,547
Employees (see note 7)	245,194	-	-	245,194	244,033
Pension deficit contribution	-	-	-	-	55,732
Grants payable (see note 6)	7,660	-	-	7,660	16,051
Hospitality	2,109	-	-	2,109	1,262
Management & administration	12,195	-	-	12,195	10,991
Depreciation	2,149	-	-	2,149	1,395
Property costs	81,034	-	-	81,034	28,951
Subscriptions	695	-	-	695	603
Home Mission & Other Causes (see note 6)	88,895	-	-	88,895	89,638
WeBox	8,117	-	-	8,117	8,049
Seventy-two	-	25,969	-	25,969	19,152
Independent examination	2,658	-	-	2,658	2,538
Legal & professional fees	2,580	-	-	2,580	1,135
Trustees expenses (included in note 7)	456	-	-	456	404
	<u>475,263</u>	<u>25,969</u>	<u>-</u>	<u>501,232</u>	<u>497,481</u>

**6 Analysis of grants**

	Unrestricted	Restricted	Endowment	Total 2018	Total 2017
	£	£	£	£	£
Home Mission grants:					
Pill Baptist Church	7,300	-	-	7,300	7,300
The Stowe	12,332	-	-	12,332	15,179
Knowle West Baptist Church	14,606	-	-	14,606	14,606
Stapleton Baptist Church	3,500	-	-	3,500	5,334
Worle Baptist Church	9,000	-	-	9,000	-
Bristol University Chaplain	4,000	-	-	4,000	4,000
Chew Magna Baptist Church	5,000	-	-	5,000	5,500
City Road Baptist Church	5,000	-	-	5,000	5,000
Stonehouse Baptist Church	5,425	-	-	5,425	7,836
Welton Baptist church	3,500	-	-	3,500	-
St Marks Baptist church	2,332	-	-	2,332	1,166
St George Baptist church	7,300	-	-	7,300	7,300
Portishead project	6,000	-	-	6,000	6,000
The Curve, Upper Rissington	-	-	-	-	3,750
SWBA	3,000	-	-	3,000	-
BUGB	600	-	-	600	-
Trinity	-	-	-	-	2,667
The Ugly Duckling Company	-	-	-	-	4,000
	<u>88,895</u>	<u>-</u>	<u>-</u>	<u>88,895</u>	<u>89,638</u>
Other grants:					
English Churches Together - Ecumenical					
Regional Grants	2,975	-	-	2,975	2,421
Partnership for Mission (see below)	4,685	-	-	4,685	6,560
Portishead Fellowship costs	-	-	-	-	2,500
Other HM Grants	-	-	-	-	4,570
	<u>7,660</u>	<u>-</u>	<u>-</u>	<u>7,660</u>	<u>16,051</u>
	<u>96,555</u>	<u>-</u>	<u>-</u>	<u>96,555</u>	<u>105,689</u>



## 6 Analysis of grants (continued)

The partnership for mission initiatives includes funding made to Portishead of (£245) (2017 - £nil) from the Partnership for Mission Fund (formerly the New Churches Fund), and sponsoring Cutting Edge ministries at Painswick £nil (2017 - £747), and Knowle West £4,930 (2017 - £5,813).

## 7 Staff costs and Trustee expenses

	2018	2017
	£	£
Regional Ministers' remuneration:-		
Revd. Nigel Coles - Trustee	34,963	34,589
Recharged to Seventy-two	(8,000)	-
	26,963	34,589
Social Security costs (trustees)	3,060	3,651
Trustee Pension costs (see note below)	8,924	8,775
Total Trustees' remuneration	38,947	47,015
Staff Salaries	130,953	120,737
Social Security costs (staff)	8,032	9,845
Other Staff Pension costs (see note below)	16,366	15,658
Housing costs	16,423	11,747
Training - courses, conferences, assemblies	2,645	3,926
Council tax, water, telephone	8,364	13,407
Expenses and other costs	23,464	21,698
	245,194	244,033

The Memorandum of Association of the charity, approved by the Charity Commission, provides for remuneration and benefits to be paid to those persons appointed as Regional Ministers of the charity. Remuneration is paid to the Regional Ministers as fully accredited Baptist ministers of the Baptist Union of Great Britain to exchange information, provide advice and support to churches and their respective ministers and leaders enabling the charity to further its Objects.

		2018	2017
		£	£
<i>Pension Contributions</i>			
Regional Ministers' pension contributions:-			
Revd. Nigel Coles - Trustee	Baptist Pension Scheme	8,924	8,775
Staff	Baptist Pension Scheme	16,366	15,658
		25,290	24,433

## Pensions

The Association is an employer participating in two pension schemes: the Baptist Pension Scheme ("the BPS") and the Baptist Union Staff Pension Scheme ("the BUSPS"). The BPS and BUSPS are separate legal entities which are both administered by the Pension Trustee (Baptist Pension Trust Limited).

From January 2012, pension provision for the Minister(s) [and some members of staff] is being made through the Defined Contribution (DC) Plan within the BPS. 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 (or 3% if the employer is in the segregated DC section) to cover Death in Service Benefits, administration costs, and an associated insurance policy which provides income protection for BPS members in the event that 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 Unum Limited. Members of the Basic Section of BPS pay reduced contributions of 5% of Pensionable Income, and their employers also pay a total of 5%.

## 7 Staff costs and Trustee expenses (continued)

### Pensions- (continued)

Benefits in respect of service prior to 1 January 2012 are provided through the Defined Benefit (DB) Plan within the BPS, or through the BUSPS. The main benefits were:

- In the BPS, a defined benefit 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; and
- In the BUSPS, a pension of one seventieth of a member's average salary over the last three years of pensionable service.

The BPS, previously known as the Baptist Ministers' Pension Fund, started in 1925, and the BUSPS started in 1969. Both schemes were closed to future accrual of defined benefits on 31 December 2011. Neither scheme is contracted out of the State Second Pension.

The table below summarises the main results of the most recent actuarial valuations of the BUSPS and the Defined Benefit (DB) Plan in the BPS. These valuations were performed by a professionally qualified Actuary using the Projected Unit Method.

	BPS DB Plan	BUSPS
Date of valuation	31 December 2016	1 January 2017
Date next valuation due	31 December 2019	n/a - Scheme is in wind-up
Market value of scheme assets (A)	£219m	£10.3m
Technical provisions (B)	£312m	£16.2m
Deficit [(B) - (A)]	£93m	£5.9m
Funding level [(A) / (B)]	70%	64%

As a result of the valuations, in addition to the contributions to the DC Plan set out above, it has been agreed:

For the BPS, the standard rate of deficiency contributions payable remains at previously agreed levels, increasing each year in line with increases in the Minimum Pensionable Income. The deficiency contributions are broadly based on 12% of Pensionable Income / Minimum Pensionable Income, reflecting each employer's contributions in March 2015. Some employers that were involved in the DB Plan for a short period pay lower contributions. In addition, the Baptist Union of Great Britain is expected to make a number of one-off contributions totaling £33.5m by 31 December 2023, including a lump sum of £33m which it paid in 2018. The Recovery Plan envisages deficiency contributions continuing until 31 December 2028.

For the BUSPS, previously agreed contributions of £759,000 pa (payable from 1 January 2016 and increasing each January in line with RPI inflation) were due until 31 January 2018. Following this, a lump sum payment of £2,734,062 was paid in February 2018 and a further payment of £2,600,000 may be made by December 2021. The total contributions are split between the sponsoring employers in line with their estimated share of the BUSPS's liabilities. These significant contributions are part of a plan to wind up the BUSPS in the short term. The Scheme formally triggered wind-up on 31 August 2018, and wind-up is expected to be completed in the second quarter of 2019. As part of this, the benefits for BUSPS members who are also active members of the BPS have been increased to offset the fact that their BUSPS benefits will no longer increase in future in line with changes in their salary. An additional contribution has also been made to the DC Plan within the BPS for members who are yet to retire and have a BPS DC fund. In practice the Association has paid money to BUGB which is intended to cover all of the Association's outstanding commitments to the Staff Scheme.

The key financial assumptions underlying the valuations were as follows:

Type of assumption	BPS %pa	BUSPS %pa
RPI price inflation assumption	0.035	0.0345
CPI price inflation assumption	0.0275	0.027
Minimum Pensionable Income increases (BPS only)	0.035	n/a
Pensionable Salary increases (BUSPS only)	n/a	0.037
Assumed investment returns		
- Pre-retirement	0.035	0.035
- Post retirement	0.0225	0.0225
Deferred pension increases		
- Pre April 2009	0.035	0.0345
- Post April 2009	0.025	0.025
Pension increases (BPS main scheme pension and BUSPS pension)		
- Pre April 2006	0.027	0.0325
- Post April 2006	0.02	0.0215

## 7 Staff costs and Trustee expenses (continued)

### Pensions- (continued)

As there are numbers of contributing employers participating in both the BPS and the BUSPS, the Association is unable to identify its share of the underlying assets and liabilities of the schemes. Accordingly, the profit and loss charge for the period represents the employer contributions payable. The total pension cost for the Association is shown in the table below, with last year's figures also shown for comparison.

Total pension cost (£)	2018	2017
BPS	24,323	23,886
BUSPS	967	547
Deficit contributions	-	55,732
Refund of deficit contributions overpaid	(17,746)	-
Total	<u>7,544</u>	<u>80,165</u>

Consequent upon the departure of the Administrative manager from the Association in 2011, the Association had a cessation event under Section 75 of the Pensions Act 1995. This makes the Association liable for the proportion of the overall deficit (assessed by reference to the cost of securing benefits by the purchase of annuities) applicable to its previous staff who were members of the Fund. It is not possible to quantify this debt without an actuarial calculation. In order, to avoid the cost of such a calculation and because the Association may not be able to continue its charitable activities following payment of the employer debt which arises upon a cessation event, the Pension Fund Trustee (after consulting the Pensions Regulator) is not currently pursuing the employer debt, but is instead permitting the church to pay the ongoing deficiency contributions outlined above. However, the Pension Trustee has the right to quantify and seek payment of the debt at any time at its discretion.

	2018	2017
The average number of full-time equivalent employees (including part-time staff) during the year as follows:		
Regional Ministers	3.0	3.0
Office Administrative Manager & Trust Officer	1.0	1.0
Administration staff	1.5	1.5
Payroll staff	0.9	0.9
Other Ministerial staff (including Wichelstowe & part-time project staff)	0.3	0.3
	<u>6.7</u>	<u>6.7</u>

The actual number of staff during the year was 9 (2017 - 9)

The key management personnel were defined as the Trustees and the senior management team, the total employment benefits paid to this group amounted to £119,235 (2017 - £126,828). This includes gross salary and employer's national insurance and pension contributions. Other benefits received are detailed above.

In 2018 no employee earned more than £60,000 per annum (2017 - Nil)

Trustee expenses	2018	2017
	£	£
Trustee expenses	456	404
	<u>456</u>	<u>404</u>

Expenses were paid to cover travelling, conference and other expenses to 3 trustees (2017 - 4 trustees).

## 8 Taxation

No corporation tax has been provided in these accounts because the income of the charity is within the exemption granted by Section 505 of the Income and Corporation Taxes Act 1988.

## 9 2017 Fund Comparatives for the year ended 31 December 2017

	Unrestricted	Restricted	Endowment	Total 2017
	£ (Restated)	£	£	£ (Restated)
<b>INCOME FROM:</b>				
Donations	256,119	33,486	-	289,605
Investments	25,041	-	-	25,041
Charitable activities	80,236	-	-	80,236
Other income	70,889	-	-	70,889
<b>Total Incomes</b>	<b>432,285</b>	<b>33,486</b>	<b>-</b>	<b>465,771</b>
<b>EXPENDITURE ON:</b>				
Charitable activities	478,329	19,152	-	497,481
<b>Total Expenditure</b>	<b>478,329</b>	<b>19,152</b>	<b>-</b>	<b>497,481</b>
Investment gains/(losses)	-	-	32,340	32,340
<b>Net Income/(expenditure) and net Movement in Funds</b>	<b>(46,044)</b>	<b>14,334</b>	<b>32,340</b>	<b>630</b>
<b>Reconciliation of Funds</b>				
Total funds brought forward 1 January 2017	1,512,723	64,214	768,669	2,345,606
<b>Total Funds at 31 December 2017</b>	<b>1,466,679</b>	<b>78,548</b>	<b>801,009</b>	<b>2,346,236</b>

## 10 Fixed Assets

## a) Tangible fixed assets

The movement in the year was as follows:-

	Property	Equipment	Total
	£	£	£
<b>Cost</b>			
Beginning of year - restated	488,631	14,396	503,027
Additions	-	3,016	3,016
End of year	488,631	17,412	506,043
<b>Depreciation</b>			
Beginning of year	1,221	12,189	13,410
Charge for the period	-	2,150	2,150
End of year	1,221	14,339	15,560
<b>Net book value</b>			
31 December 2018	487,410	3,073	490,483
31 December 2017	487,410	2,207	489,617

## b) Association Property

	2018	2017
	£	£
Land at Emersons Green	176,490	176,490
Manse at 3 The Hawthorns, Bussage, Eastville Church - restated	300,270	300,270
Stockwood Church	10,650	10,650
	<b>487,410</b>	<b>487,410</b>

**11 Investments**

	<b>2018</b>	2017
	£	£
		(Restated)
Market value at beginning of year	898,577	768,087
Acquisitions at cost	151,708	176,398
Sale proceeds from disposals	(68,895)	(149,888)
Gains in the period		
- Realised gains/(losses)	12	14,016
- Net unrealised gains/(losses)	(44,134)	(20,148)
Increase in cash balances	(187,872)	110,112
Market value as at 31 December	<u>749,396</u>	<u>898,577</u>

	<b>2018</b>	2017
	£	£
Investments at market value comprise:-		(Restated)
UK equities	190,405	187,356
UK fixed interest securities	88,776	91,598
UK other investments	11,982	178,891
Overseas equities	307,210	102,462
Cash balances - WEBTC	139,433	250,744
Cash balances - Charles Stanley	11,589	87,525
Wholly Owned Trading Subsidiary	1	1
	<u>749,396</u>	<u>898,577</u>
Historical cost at 31 December	<u>568,141</u>	<u>542,829</u>

West of England Baptist Association is the principal and legal holder of these investments, during a previous year it was decided that these should be managed by West of England Baptist Trust Company Limited as custodian trustees.

**12 Programme-related investments**

	Support Loans	Investment properties	Total
	£	£	
a) Balance at 1 January 2018	185,508	668,648	854,156
Loan repayments	(41,871)	-	(41,871)
New loans	25,001	-	25,001
Balance at 31 December 2018	<u>168,638</u>	<u>668,648</u>	<u>837,286</u>

b) i) An agreement was reached with Emersons Green Church for them to acquire over a number of years the equity of the property at 1 Bishops Road through the housing for Mission scheme by way of conversion of some of the rent to a capital repayment. The church currently has a £47,368 (2017 - £45,774) equity in the property.

ii) Woodside House, Stroud, the church acquired a 30% share in the property.

**13 Debtors**

	<b>2018</b>	2017
	£	£
Amounts due from Subsidiary undertakings	37,413	13,813
	<u>37,413</u>	<u>13,813</u>

<b>14 Cash at bank and in hand</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
HSBC Bank	7,653	24,844
CAF Cash/Gold	93,631	62,716
COIF Charity Fund	14,182	14,100
PayPal	2,649	2,649
Petty cash	35	593
	<u>118,150</u>	<u>104,902</u>

<b>15 Creditors</b>	<b>2018</b>	<b>2017</b>
<b>Amounts falling due within one year</b>	<b>£</b>	<b>£</b>
Trade creditors	-	2,558
Accruals and deferred income	12,397	12,271
	<u>12,397</u>	<u>14,829</u>

**16 Notes to the Cashflow Statement****A. Reconciliation of net movement in funds to net cash inflow from operating activities**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
		(Restated)
Statement of Financial Activities: Net movement in funds	(125,905)	630
Investment income	(33,005)	(25,041)
Depreciation	2,149	1,395
Realised movement on investments	(12)	(14,016)
Unrealised movement on investments	44,133	20,148
(Decrease)/Increase in creditors	(2,432)	5,491
(Increase)/Decrease in debtors	(23,600)	5,244
Decrease in programme related investments	16,870	22,581
Profit on sale of property	-	(69,424)
<b>Net cash outflow from operating activities</b>	<u>(121,802)</u>	<u>(52,992)</u>

**B. Analysis of changes in cash flow during the year**

	<b>2018</b>	<b>2017</b>	<b>Change</b>
	<b>£</b>	<b>£</b>	<b>£</b>
		(Restated)	
Cash at bank and in hand	118,150	104,902	13,248
Cash in Investment Portfolio	151,022	338,269	(187,247)
Cash & cash equivalents	<u>269,172</u>	<u>443,171</u>	<u>(173,999)</u>
	<b>2017</b>	<b>2016</b>	<b>Change</b>
	<b>£</b>	<b>£</b>	<b>£</b>
		(Restated)	
Cash at bank and in hand	104,902	196,559	(91,657)
Cash in Investment Portfolio	338,269	228,157	110,112
Cash & cash equivalents	<u>443,171</u>	<u>424,716</u>	<u>18,455</u>

**17 Statement of Funds****Current Year**

	<b>At 1 January 2018</b>	<b>Income</b>	<b>Expenditure</b>	<b>Other Movements &amp; Transfers</b>	<b>At 31 December 2018</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Unrestricted</b>					
General fund	-	396,668	(448,310)	84,475	32,833
<b>Designated</b>					
Fixed assets	-	-	-	303,543	303,543
Programme-related investments	-	-	-	837,286	837,286
Ministers Conference	-	6,060	(21,521)	15,461	-
Painswick	16,437	-	(747)	-	15,690
Lay ministries	110	-	-	(110)	-
Partnership for Mission	59,398	14,038	(4,685)	-	68,751
Support Fund	1,225,734	-	-	(1,225,734)	-
Pension Deficit Fund	50,000	-	-	-	50,000
Tilshead Fund	115,000	-	-	-	115,000
<b>Total unrestricted funds</b>	<b>1,466,679</b>	<b>416,766</b>	<b>(475,263)</b>	<b>14,921</b>	<b>1,423,103</b>
<b>Restricted</b>					
Home Mission & Other Causes	654	-	-	-	654
Seventy-two	50,482	2,683	(25,969)	-	27,196
Leighterton & Culkerton	16,762	-	-	-	16,762
Stockwood Church	10,650	-	-	-	10,650
<b>Total restricted funds</b>	<b>78,548</b>	<b>2,683</b>	<b>(25,969)</b>	<b>-</b>	<b>55,262</b>
<b>Expendable endowment</b>					
Income fund	624,719	-	-	(59,043)	565,676
	624,719	-	-	(59,043)	565,676
<b>Permanent endowment</b>					
Avening Fund	176,290	-	-	-	176,290
<b>Total Endowment</b>	<b>176,290</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>176,290</b>
<b>Total Endowment</b>	<b>801,009</b>	<b>-</b>	<b>-</b>	<b>(59,043)</b>	<b>741,966</b>
<b>TOTAL FUNDS</b>	<b>2,346,236</b>	<b>419,449</b>	<b>(501,232)</b>	<b>(44,122)</b>	<b>2,220,331</b>

The Association uses its unrestricted funds when required to provide support to the churches and individuals within the Association, for purposes approved by the trustees. In past years this has been shown as a designated support fund to emphasise that, although unrestricted, the funds are not readily available for other uses. This year the trustees have tried to clarify the contents of the former Support Fund by separating them out into their main constituent parts, by creating designated funds for fixed assets and programme-related investments.

**17 Statement of Funds (continued)****Prior Year**

	At 1 January 2017	Income	Expenditure	Other Movements & Transfers	At 31 December 2017
	£	£	£	£	£
<b>Unrestricted</b>		(Restated)			(Restated)
General fund	111,278	329,082	(464,174)	23,814	-
<b>Designated</b>					
Ministers Conference	2,552	10,942	(17,547)	4,053	-
North Bristol Ecumenical	-	-	(2,421)	2,421	-
Painswick	17,184	-	(747)	-	16,437
Lay ministries	110	-	-	-	110
Partnership for Mission	31,466	21,372	6,560	-	59,398
Support Fund	1,185,133	70,889	-	(30,288)	1,225,734
Pension Deficit Fund	50,000	-	-	-	50,000
Tilshead Fund	115,000	-	-	-	115,000
<b>Total unrestricted</b>	<u>1,512,723</u>	<u>432,285</u>	<u>(478,329)</u>	<u>-</u>	<u>1,466,679</u>
<b>Restricted</b>					
Home Mission & Other Causes	654	-	-	-	654
Seventy-two	36,148	33,486	(19,152)	-	50,482
Leighterton & Culkerton	16,762	-	-	-	16,762
Stockwood Church	10,650	-	-	-	10,650
<b>Total restricted</b>	<u>64,214</u>	<u>33,486</u>	<u>(19,152)</u>	<u>-</u>	<u>78,548</u>
<b>Expendable endowment</b>					
Income fund	592,379	-	-	32,340	624,719
	<u>592,379</u>	<u>-</u>	<u>-</u>	<u>32,340</u>	<u>624,719</u>
<b>Permanent endowment</b>					
Avening Fund	176,290	-	-	-	176,290
<b>Total Endowment</b>	<u>176,290</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>176,290</u>
<b>Total Endowment</b>	<u>768,669</u>	<u>-</u>	<u>-</u>	<u>32,340</u>	<u>801,009</u>
<b>TOTAL FUNDS</b>	<u>2,345,606</u>	<u>465,771</u>	<u>(497,481)</u>	<u>32,340</u>	<u>2,346,236</u>

During the year the trustees have taken the opportunity to further analyse their funds as follows:

**General Fund (unrestricted)**

This represents the free funds of the charity which are not designated for particular purposes, following the re-distribution of the funds held by the Association.

**Income Fund (Expendable endowment)**

This fund holds the charitable company's investments, all of which are held in with Charles Stanley & Co Limited. The purpose of the fund is to generate income for the on-going work of the Association.

**Partnership for Mission (formerly New Churches Initiatives) (designated)**

This fund has been established to enable new church planting within the Association and to assist in initial costs.

**North Bristol Ecumenical Fund (designated)**

This fund exists to support Baptist Chaplaincy work at the University of the West of England. No call has been made on this fund during the year.



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## 17 Statement of Funds (*continued*)

### **Ministers Conference Account** (designated)

This fund previously administered separate from the Association's accounts, is now administered in the Association's office and is used to control the finances of the annual minister's conference which is normally self funding.

### **Support Fund** (designated)

This fund existed to provide support to the churches and individuals within the Association, for purposes approved by the Executive of the charity. This support included loan finance to property projects, for the charity itself, local churches and in special cases, individuals. The former support fund has now been closed and its constituent parts transferred to two new funds, Fixed Asset Fund and Programme-related Investment Fund.

### **Painswick Fund** (designated)

This fund was created from the closure of the United Church at Painswick and represents the balance of the funds held previously from the sale of the old chapel. A new initiative to re-establish a Baptist presence is being funded from this fund.

### **Leighterton & Culkerton** (restricted)

This capital fund, held under a trust created in July 1947, exists to provide income for the Leighterton & Culkerton churches in Gloucestershire. Should the churches close the income of the fund may be used for Colportage and Evangelistic work in the surrounding villages and district.

### **Stockwood Church Fund** (restricted)

This fund represents the cost of the Stockwood Church which is governed by an ultimate trust dated June 1977. Should the church close and the premises sold, the proceeds will be shared between the Association and Bristol City Mission Society.

### **Home Mission & Other Causes Fund** (restricted)

This fund occasionally receives monies (usually donations) as an agent for Home Mission on behalf of the Baptist Union of Great Britain. Donations are very occasionally received for other causes, which are passed directly on to the appropriate beneficiary.

### **Seventy-two** (restricted)

Seventy-two is a network and catalyst for mission across the Baptist Union of Great Britain. WEBA has taken the lead in the programme and records and manages the income and expenditure as a Restricted Fund. Expenditure is primarily through secondments of regional staff, or grants towards projects.

### **Avening Fund** (Permanent Endowment)

This endowment fund was created following a Charity Commission scheme following the closure of the Avening Baptist Church in 1995. The scheme restricted the use of the capital in the fund to the provision of premises of churches within the South Gloucestershire area.

### **Pension deficit fund** (designated)

In December 2016, trustees agreed to designate £50,000 as a pension reserve. A further trustees' decision will be required if these funds are subsequently paid into the BU Pension Scheme.

### **Tilshead Fund** (designated)

This fund has been set aside from the proceeds of the former Tilshead Baptist church to help fund outreach activity in the surrounding area in partnership with other local Baptist Churches.

### **Fixed Asset Fund**

This fund exists to support the Association itself in funding the fixed assets it needs to carry out its charitable objects.

**17 Statement of Funds (continued)****Programme-related Investments Fund**

This fund exists to provide support to the churches and individuals within the Association, for purposes approved by the Executive of the charity. This support includes loan finance to property projects, local churches and in special cases, individuals. Interest on loans is subject to negotiation, but at a rate not greater than that charged by the Baptist Union Corporation Limited.

**18 Assets analysed between funds****Current Year**

	<b>Unrestricted</b>	<b>Restricted</b>	<b>Endowment</b>	<b>Total 2018</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Tangible Fixed assets	303,543	10,650	176,290	490,483
Programme-related investments	837,286	-	-	837,286
Investments	179,735	3,985	565,676	749,396
Net current assets	102,539	40,627	-	143,166
	<u>1,423,103</u>	<u>55,262</u>	<u>741,966</u>	<u>2,220,331</u>

**Unrestricted: analysed between funds**

	<b>General</b>	<b>Designated</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Tangible Fixed assets	-	303,543	303,543
Programme-related investments	-	837,286	837,286
Investments	32,305	147,430	179,735
Net current assets	528	102,011	102,539
	<u>32,833</u>	<u>1,390,270</u>	<u>1,423,103</u>

**Prior Year**

	<b>Unrestricted</b>	<b>Restricted</b>	<b>Endowment</b>	<b>Total 2017</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
	<b>(Restated)</b>			<b>(Restated)</b>
Tangible Fixed assets	302,677	10,650	176,290	489,617
Programme-related investments	854,156	-	-	854,156
Investments	269,873	3,985	624,719	898,577
Net current assets	39,973	63,913	-	103,886
	<u>1,466,679</u>	<u>78,548</u>	<u>801,009</u>	<u>2,346,236</u>

**Unrestricted: analysed between funds**

	<b>General</b>	<b>Designated</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
	<b>(Restated)</b>	<b>(Restated)</b>	<b>(Restated)</b>
Tangible Fixed assets	-	302,677	302,677
Programme-related investments	-	854,156	854,156
Investments	-	269,873	269,873
Net current assets	-	39,973	39,973
	<u>-</u>	<u>1,466,679</u>	<u>1,466,679</u>

**19 Share capital**

The company is limited by guarantee and therefore has no share capital.

**20 Capital expenditure commitments**

At the time of production of this Annual Report and Accounts no capital expenditure has been authorised.

**21 Related party transactions**

During the period West of England Baptist Association was the parent company of West of England Baptist Payroll Company Limited. West of England Baptist Payroll Company Limited is a company in which Jane Riches is also a director.

During the year Management charges amounting to £9,000 (2017 - £9,000) towards the administrative costs were paid to the Association. The company paid a donation of £23,600 (2017: £13,813) to the charity during the year. At the balance sheet date West of England Baptist Payroll Company Limited, owed the charity £29,000 (2017 - £13,813).

The West of England Baptist Trust Company is a wholly owned subsidiary of the West of England Baptist Association. The charity administers the Association's investments on its behalf. During the year, the Association received dividends and income of £20,646 (2017: £20,304). At the year end, the company held cash on behalf of the Association of £139,433 (2017: £250,744), and investments of £597,980 (2017: £468,941).

During the year donations of £nil were received from Trustees (2017 - £nil from Trustees).

**A Church Loans**

The following loans are outstanding to churches within the Association:-

Churches	At 1 January	Loan		At 31 December
	2018	Repayments	New Loans	2018
	£	£	£	£
Chalford	30,000	-	-	30,000
Lechlade	15,620	(15,620)	-	-
Stoke Gifford	-	(11,776)	25,001	13,225
Other	13,221	(5,860)	-	7,361
Wichelstowe	55,000	-	-	55,000
City Road	21,555	(1,200)	-	20,355
St George	50,112	(7,416)	-	42,696
	<u>185,508</u>	<u>(41,872)</u>	<u>25,001</u>	<u>168,637</u>

**B By Funding Source**

Property	£	Unrestricted	Restricted	Endowment
Land at Emersons Green	176,490	200	-	176,290
Manse at 1 Bishop Road, Emersons Green i	248,853	248,853	-	-
Manse at 3 The Hawthorns, Bussage,	300,270	300,270	-	-
61 Sion Road Bedminster ii	211,161	211,161	-	-
Woodside House iii	208,635	208,635	-	-
Stockwood Church (Restricted)	10,650	-	10,650	-
	<u>1,156,059</u>	<u>969,119</u>	<u>10,650</u>	<u>176,290</u>
<b>Equipment</b>	<b>3,073</b>	<b>3,073</b>	<b>-</b>	<b>-</b>
<b>Total Property &amp; Equipment</b>	<u><b>1,159,132</b></u>	<u><b>972,192</b></u>	<u><b>10,650</b></u>	<u><b>176,290</b></u>

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**21 Related party transactions (continued)**

i The Manse property at Emersons Green is being acquired by the church under the Housing for Mission scheme agreement signed during 2011, whereby a proportion of the rent is being used to acquire further equity in the property. Should this property be sold the proceeds will be shared between the Church and the Association according to the equity share. The property was originally partly acquired for a purchase price of £290,164 using Avening fund proceeds. The current church equity is 16.3% (£47,368).

ii The house at 61 Zion Road is currently being rented from the Association by Youth with a Mission to assist with their work amongst young people.

iii Woodside House, Stroud which shares a common boundary with the Farmhill Church was purchased during 2015 as part of the new mission project at the church.

*The above information does not form part of the financial statements required by company law and is largely reported for the benefit and information of member churches.*

**22 Prior year adjustment**

During the year, it became apparent that proceeds received for the sale of the property at Eastville during 2017 had not been recorded in the accounts, nor had the disposal of the property been recorded. This has resulted in a prior year adjustment for profit on sale of property of £69,424, being proceeds received of £74,424 and cost removed of £5,000. It was also discovered that the cash balance held by West of England Baptist Trust Company (West) had been understated by £1,465, resulting in an original understatement of income of £1,465, which has now been rectified. In total, unrestricted funds brought forward increased by £70,889, no other funds were affected.