



West of England Baptist Association

(A Company limited by Guarantee)

ANNUALREPORT&ACCOUNTS

for the year ended 31 December 2017

Registered in England Company number: 4326752

Charity number: 1092443

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## **Report of the trustees for the year ended 31 December 2017**

The trustees are pleased to present their report with financial statements of the charity for the year ended 31 December 2017.

Reference and administrative information set out on page 13 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 2017:-**

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. In 2017 we felt challenged to clarify where we needed to place more energy into "Building Momentum". We therefore considered a number of strategies that might assist us in facilitating our churches. They included:

- The possible need to make the shift, in the presentation of our public image, to 'West of England Baptists', or 'West of England Baptist Networks', to better reflect the reality of who we are
- Dedicating sufficient energy into the mechanisms, which offer effective and fruitful ways of engaging churches and church leadership
- Ensuring that the role and function of the Association is fully understood where it impacts the recruitment, equipping and releasing of those God is calling into Ministry
- Identifying the gaps in our current strategy and plans
- Assessing the vulnerability of strategies and resources to external circumstances.

### **WEBA's Year**

We delivered a range of events and initiatives to help and support those in our churches grow as missionary disciples. These events were targeted at leaders and leadership teams, as well as congregations (through Network Days and Network Gatherings).

### **Leaders:**

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 appreciated by all. The only slight hindrance was a sea mist that rolled in for practically all of the duration of the conference. 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 Jim Barker from the Church Mission Soc. and Ed Kaneen of South Wales Baptist College.

We held a Pastoral Leaders Day with Lucy Moore at Chipping Sodbury Baptist Church. This was an extremely valuable day exploring the principles behind, "Messy Church". It was well attended encouraging greater involvement with children, youth and families among communities throughout the West of England. However, there was a lack of ministers in attendance!

Along with the thirteen other Regional Baptist Associations, that make up our Union, we launched '50 days of Good News'. This involved weekly video challenges on our website and vimeo channel helping subscribers to find new ways to show and tell the good news of Jesus Christ in the period between Easter and Pentecost.

### **Leadership Teams:**

We continued with our Saturday morning Leadership Teams day which has proved as popular as ever. This gathering of 100 people or more benefited from the excellent and informed teaching of Rev. Ken Benjamin and Ellen Wild of Chichester Baptist Church on the theme, "Exploring Missional Communities". Following the response and enthusiasm of these gatherings we now need to reflect on how we help those who wish to explore missional communities in their context more effectively.

During May and September we held two Saturday morning workshops entitled, "Church Imagine". This was led by David Lawrence of the London Institute of Contemporary Christianity and was centred around how to create a whole life disciple making church.

During the course of the year we have contacted all of our churches to confirm that they have received training regarding, Baptists Together's "Excellence in Safeguarding". Following a meeting of eleven trainers the reports were very encouraging. Approximately three quarters of all our churches completed training this year and nearly all of our ministers have an up to date DBS check.

Our initiative Re-imagine, for Leadership Teams in WEBA, continued to flourish as new churches signed up beginning the journey as a learning community. It was a very successful start with a higher level of engagement, across the board, than with previous groups. We have also initiated a parallel morning specifically for the Minister, or key leader, for participating teams. This was well received and appeared to be much appreciated. We are now in discussion with the Northern Baptist Association who has shown a keen interest in joining in the Re-imagine hub.

### **Cluster Facilitators:**

A very profitable morning was held in September when Dianne Tidball, this year's BUGB President, attended our Cluster Facilitators gathering. She helped us explore the way forwards for our networks and clusters as we took a closer look at the implications of what it means to be in covenant relationship.

## **Network Gatherings:**

Network gatherings are for the whole WEBA family. We held four at, Totterdown, Bristol, Clevedon in North Somerset, Upper Stratton in Swindon and Cirencester, Gloucestershire. These geographically placed meetings enable many of our churches to gather together for worship and fellowship providing a very real sense of being part of the wider Baptist family.

In July we held our AGM and Summer Gathering at Clevedon Baptist Church. People from across the network signed up to this meeting. This meeting, once again, has become truly representative of Baptists across the West of England. In an atmosphere of worship and transacting the necessary business we celebrated the good things that God is doing throughout our churches. The meeting was preceded by a sumptuous cream tea graciously provided by the church that was thoroughly enjoyed by all and set the scene for the whole proceedings.

In September we held our "Welcome to WEBA" for a number of our new ministers. A time always appreciated for opportunity to share and meet with colleagues, not least the regional team and staff.

## **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 Wiltshire, Gloucestershire and the Forest of Dean. Whilst Gary heads up Safeguarding and has oversight of churches in North Somerset and the Bristol area. 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 whose skill and knowledge is not only appreciated by our network but within the wider Baptist family. 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 Manger 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.

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. Throughout the year the trustees have been called upon to consider and decide upon WEBA's response and involvement to the dilemma of the Ministers Pension Fund deficit that affects the whole of the Baptist family. 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.

We have also undertaken substantial repairs to our regional office premises during the course of the year.

## **Home Mission 2017**

We are keenly aware of a downward trend in churches giving to the Baptist Union's Home Mission Fund. During 2017 there was a slight increase from WEBA churches. However, there still exists an increasing sense of distance between local churches and the Baptist Union both in strategy and implementation on this subject. A challenging financial environment places an ever-greater responsibility on the WEBA staff to regularly create an awareness and understanding of the need for the systematic giving and support to HM.

As a result, we have begun a 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.

It was proposed we make every effort to attain the target for our contribution to the Home Mission national budget for 2017. It was agreed that we move towards a position where if we raise over and above the agreed target, we shall invest any additional funds directly into new mission opportunities within the WEBA region.

## **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 Windmill Farm Conference Centre, in quiet reflection, was ably and sensitively led by the Rev Judy Howard. An investment for the future as we seek to develop our work and witness moving forward together with our partner associations.

## **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". Our involvement at Spring Harvest was again a great opportunity for us to work together with some of our partners. Not only to be present but also to be part of Spring Harvest's key objectives to provide a place where we could make space to encounter God, inspire confidence and to see transformation of our communities. With our bespoke stand we were well equipped to seize the opportunity in the mission of God.

The 2017 Forge Mission Training Hub began with nine participants from our churches. Although momentum is proving hard to build the potential is very encouraging. Two of the South Wales RM team have joined the delivery team this year, with a view to bringing people from South Wales on board next year, which will extend the Associations participating to three. Nigel Coles has taken on the 'Hub Director' role, which in practice will place our churches in a better position to benefit. However, Forge is not a Baptist initiative and we need to work harder at bringing others into the training programme.

## **Networks Development**

The Regional Ministry Team are increasingly conscious of the growing need to develop patterns of Ministry and Mission, that could come within this framework of understanding. The two Valleys of Chew and Yeo, the Westbury area of Wiltshire, the Forest of Dean, Swindon and the Cotswolds are all areas within WEBA, where this is both a challenge as well as an opportunity.

The four Baptist Churches of the of the Yeo and Chew valleys, (Blagdon, Chew Magna, Dundry and Winford), south of Bristol are working together to explore what it means to become a network for mission across the area. As part of the development the Bishop Sutton Methodist building is being purchased as a future hub in the valleys.

WEBAY is our network for Children's Youth and Families workers. It was proposed to provide one day per week funding towards a 'children, youth & family mission enabler' role.

Bob Morris currently a full-time worker with Cirencester Baptist church is doing a great job of gathering the youth workers in Baptist Churches across WEBA. Due to his commitment and obvious sense of calling to the work Bob was recognised as one who would fit the role admirably. The network is now building and extending to embrace children and family workers as well. Additionally, they are developing INSPIRE which is training for CYF workers and volunteers.

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 Accounting and Reporting by Charities: Statement of Recommended Practice (SORP 2015) and Accounting Regulations, as the income of the group is below the relevant threshold of £1,000,000. Individual accounts for each subsidiary have been prepared with WEBTC (West of England Baptist Trust Company) being independently examined and West of England Baptist Payroll Company being subject to an accountants report. Copies of the accounts available from the charity's registered office.

The statement of financial activities for the year is set out on page 18. The charity reports an overall deficit of £70,259 across all funds. The unrestricted General Fund had an operating deficit of £135,092. During the year repayments on support loans were received from churches within the Association resulting in an outstanding balance of £185,508 in support loans.

The principal source of funding remains the Home Mission refund from the Baptist Union of Great Britain. The amount of the refund 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 Association funding 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 2017 the charity received a total grant of £228,213, which is split between the Home Mission funding paid on to individual churches and the Association core grant. This replaced the previous basis of a core grant and a refund of contributions. This grant was used to fund the cost of the regional ministers and regional based support staff that in turn help 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 consideration in the accounts as it is not able 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 those churches that wish to outsource payroll to an in-house 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 the staff employed by the Payroll Company, where the company has extended its services to both churches in other Associations and the 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 new 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.

Where reserves are held: the Board's policy at present is to hold the reserves in the Income Fund of the Association that is invested with Charles Stanley. A reserve of £550,000 is necessary to provide a minimum of £20,000 income to the Association each year. These current reserves stand at £633,210 (£578,430 - 2016), with free reserves standing at £nil (£111,278 – 2016).

## **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.

## **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: 4326752

### **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**

Laurie Burn; Jane Riches; Graham Sims; Stephen Robinson; Stephen Finamore; Phillip Poole; and Steve Christian

## **Company Secretary**

Robert English

## **Registered Office**

The Old Forge, Broom Hill, Stapleton, Bristol. BS16 1DN

## **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

## **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 appoints the directors of this company.

## Statement of trustees' responsibilities

The trustees are responsible for preparing the Annual Report and the financial statements in accordance with relevant legislation and regulations. The trustees are required to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the charity and of its incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

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

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity 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 charity 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 ..... 2018

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

I report on the accounts of the company for the year ended 31 December 2017, which are set out on pages 18 to 37.

### Respective responsibilities of trustees and examiner

The trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 144 (2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed. The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of Institute of Chartered Accountants in England and Wales.

Having satisfied myself that the charity is not subject to audit under Part 16 of the Companies Act 2006 and is eligible for independent examination, it is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;

- to follow the procedures laid down in the General Directions given by the Charity Commission under section 145 (5) (b) of the 2011 Act, and

- to state whether particular matters have come to my attention.

### Basis of independent examiner's report

My examination was carried out in accordance with the General Directions given by the Charity Commission.

An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and the seeking of explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and, consequently, no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

## Independent examiner's statement

In connection with my examination, no matter has come to my attention:

which gives me reasonable cause to believe that, in any material respect, the requirements:

- . (a) to keep accounting records in accordance with section 386 of the Companies Act 2006, and
- . (b) to prepare accounts which accord with the accounting records, comply with the accounting requirements of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities – Financial Reporting Standard 102 (revised 2015) have not been met, or

to which, in my opinion, attention should be drawn 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 2017**

	Notes	Unrestricted	Restricted	Endowment	Total 2017	Total 2016
		£	£	£	£	£
<b>INCOME FROM:</b>						
Donations	2	256,119	33,486	-	289,605	427,668
Investments	3	25,041	-	-	25,041	34,014
Charitable activities	4	80,236	-	-	80,236	77,782
<b>Total Incomes</b>		<b>361,396</b>	<b>33,486</b>	<b>-</b>	<b>394,882</b>	<b>539,464</b>
<b>EXPENDITURE ON:</b>						
Charitable activities	5	478,329	19,152	-	497,481	430,264
<b>Total Expenditure</b>		<b>478,329</b>	<b>19,152</b>	<b>-</b>	<b>497,481</b>	<b>430,264</b>
Investment gains/(losses)		-	-	32,340	32,340	44,979
Net Income/(expenditure) before transfers		(116,933)	14,334	32,340	(70,259)	154,179
Transfers		-	-	-	-	-
Net income before other recognised gains and losses		(116,933)	14,334	32,340	(70,259)	154,179
<b>Other recognised gains and losses</b>						
Loss on disposal of fixed assets		-	-	-	-	-
<b>Net Movement in Funds</b>		<b>(116,933)</b>	<b>14,334</b>	<b>32,340</b>	<b>(70,259)</b>	<b>154,179</b>
<b>Reconciliation of Funds</b>						
Total funds brought forward 1 January 2017		1,512,723	64,214	768,669	2,345,606	2,191,427
<b>Total Funds at 31 December 2017</b>	18	<b>1,395,790</b>	<b>78,548</b>	<b>801,009</b>	<b>2,275,347</b>	<b>2,345,606</b>

2016 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 2017**

	<b>Total 2017</b>	Total 2016
	£	£
Total Income	394,882	539,464
Total Expenditure	(497,481)	(430,264)
Transfer (to)/from funds	-	-
Net income/(expenditure) for the year	<u>(102,599)</u>	<u>109,200</u>

**Cashflow Statement**

For the year ended 31 December 2017

	Notes	2017 £	2016 £
<b>Net cash inflow from operating activities</b>	<b>A</b>	(54,457)	(9,975)
<b>Investment income</b>		25,041	34,014
<b>Non-operational cashflows</b>			
<b>Capital expenditure and financial investment:</b>			
- Payments for tangible fixed assets		(1,508)	(230)
- Payments for investments acquired		(176,398)	(79,640)
- Receipts from sale of investments		149,888	119,312
<b>Financing:</b>			
Net cash inflow/(outflow) for the year	<b>B</b>	<u>(57,434)</u>	<u>63,481</u>

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

	2017 £	2016 £
Statement of Financial Activities: Net movement in funds	(70,259)	154,179
Investment income	(25,041)	(34,014)
Depreciation	1,395	1,018
Unrealised movement on investments	6,132	(55,405)
(Decrease)/Increase in creditors	5,491	531
Decrease/(Increase) in debtors	5,244	(12,452)
(Increase)/Decrease in programme related investments	22,581	(63,832)
<b>Net cash inflow from operating activities</b>	<u>(54,457)</u>	<u>(9,975)</u>

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

	2017 £	2016 £	Change £
Cash at bank and in hand	104,902	196,559	(91,657)
Cash in Investment Portfolio	262,380	228,157	34,223
Cash & cash equivalents	<u>367,282</u>	<u>424,716</u>	<u>(57,434)</u>
	<b>2016 £</b>	<b>2015 £</b>	<b>Change £</b>
Cash at bank and in hand	196,559	162,306	34,253
Cash in Investment Portfolio	228,157	198,929	29,228
Cash & cash equivalents	<u>424,716</u>	<u>361,235</u>	<u>63,481</u>

**C. 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 2017**

		<b>Total 2017</b>	Total 2016
		£	£
<b>Fixed assets</b>	Note		
Tangible assets	10a	494,617	494,504
Investments	11	822,688	768,087
Programme-related investments	12	854,156	876,737
		<u>2,171,461</u>	<u>2,139,328</u>
<b>Current assets</b>			
Debtors	13	13,813	19,057
Cash at bank and in hand	14	104,902	196,559
		<u>118,715</u>	<u>215,616</u>
<b>Creditors: amounts falling due within one year</b>	15	(14,829)	(9,338)
<b>Net current assets</b>		<u>103,886</u>	<u>206,278</u>
<b>Total assets less current liabilities</b>		<u>2,275,347</u>	<u>2,345,606</u>
<b>Net Assets</b>		<u>2,275,347</u>	<u>2,345,606</u>
<b>The funds of the charity:</b>			
<b>Unrestricted funds:</b>			
General	17	-	111,278
Designated		<u>1,395,790</u>	<u>1,401,445</u>
		1,395,790	1,512,723
<b>Restricted</b>	17	78,548	64,214
<b>Endowment</b>	17	801,009	768,669
<b>Total funds</b>		<u>2,275,347</u>	<u>2,345,606</u>

For the year ended 31st December 2017 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.

## Notes to financial statements

31 December 2017

### 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, (2015), the Charities Act 2011 and the Statement of Recommended Practice. Accounting and Reporting by Charities based thereon 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 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	2017	Total	2016
	£	£	£	£	£	£	£
Home Mission Church funding	111,352	-	-	111,352	111,352	81,482	
Home Mission Core Funding	116,861	-	-	116,861	116,861	158,207	
Home Mission Special Ministry Grants	2,050	-	-	2,050	2,050	7,261	
Donations	41	-	-	41	41	-	
Proceeds from closures	-	-	-	-	-	119,299	
New Churches Fund	19,933	-	-	19,933	19,933	6,329	
Partnership Mission Grants	-	-	-	-	-	-	
WeBox Appeal	5,882	-	-	5,882	5,882	-	
Seventy Two Project	-	33,486	-	33,486	33,486	55,090	
	<u>256,119</u>	<u>33,486</u>	<u>-</u>	<u>289,605</u>	<u>289,605</u>	<u>427,668</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 Association funding is a share of the monies donated to the Baptist Union of Great Britain by churches in the area covered by the Association, replacing the previous core grant and refund.

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	2017	Total	2016
	£	£	£	£	£	£	£
Income from investments	24,960	-	-	24,960	24,960	33,933	
Bank interest	81	-	-	81	81	81	
Rents received	-	-	-	-	-	-	
	<u>25,041</u>	<u>-</u>	<u>-</u>	<u>25,041</u>	<u>25,041</u>	<u>34,014</u>	

**4 Income from charitable activities**

	Unrestricted	Restricted	Endowment	Total	2017	Total	2016
	£	£	£	£	£	£	£
Church income re Regional Ministers	3,306	-	-	3,306	3,306	3,012	
Subsidiary companies - payroll & management charge	30,077	-	-	30,077	30,077	29,877	
Programme related Investment income	28,688	-	-	28,688	28,688	28,226	
Training courses	77	-	-	77	77	1,722	
Ministers Conference	10,942	-	-	10,942	10,942	10,515	
Loan interest and thank offerings	-	-	-	-	-	-	
Committees & conferences	7,146	-	-	7,146	7,146	4,430	
Reimbursements & Refunds	-	-	-	-	-	-	
	<u>80,236</u>	<u>-</u>	<u>-</u>	<u>80,236</u>	<u>80,236</u>	<u>77,782</u>	

**5 Expenditure on Charitable activities**

	Unrestricted	Restricted	Endowment	Total	2017	Total	2016
	£	£	£	£	£	£	£
Assemblies, Conferences & Events	17,547	-	-	17,547	17,547	12,898	
Evangelism and special events	-	-	-	-	-	-	
Employees	244,033	-	-	244,033	244,033	238,583	
Pension Deficit Contribution	55,732	-	-	55,732	55,732	7,281	
Grants payable (see note 6)	16,051	-	-	16,051	16,051	12,782	
Hospitality	1,262	-	-	1,262	1,262	604	
Management & Administration	10,991	-	-	10,991	10,991	9,726	
Training	-	-	-	-	-	4,734	
Depreciation	1,395	-	-	1,395	1,395	1,018	
Property costs	28,951	-	-	28,951	28,951	21,253	
Subscriptions	603	-	-	603	603	1,456	
Home Mission & Other Causes	89,638	-	-	89,638	89,638	98,061	
WeBox	8,049	-	-	8,049	8,049	-	
Seventy Two Project	-	19,152	-	19,152	19,152	18,942	
Independent examination	2,538	-	-	2,538	2,538	2,394	
Legal & professional fees	1,135	-	-	1,135	1,135	191	
Trustees Expenses (included in note 7)	404	-	-	404	404	341	
	<u>478,329</u>	<u>19,152</u>	<u>-</u>	<u>497,481</u>	<u>497,481</u>	<u>430,264</u>	

## 6 Analysis of grants

	Unrestricted	Restricted	Endowment	Total	2017	Total	2016
	£	£	£	£	£	£	£
English Churches Together - Ecumenical							
Regional Grants	2,421	-	-	2,421			-
Partnership for Mission (see below)	6,560	-	-	6,560			10,391
City Ethnicity	-	-	-	-			-
WEBAY (Youth Ministry)	-	-	-	-			-
Portishead Fellowship costs	2,500	-	-	2,500			2,391
Other HM Grants	4,570	-	-	4,570			-
	<u>16,051</u>	<u>-</u>	<u>-</u>	<u>16,051</u>			<u>12,782</u>

The partnership for mission initiatives includes funding made to Portishead of £nil, (2016 - £1,706) from the New Churches Fund, and sponsoring Cutting Edge ministries at Painswick £747 (2016 - £2,424), Knowle West £5,813 (2016 - £1,143), East Street, Bedminster £nil (2016 £3,042) and other projects £nil (2016 £2,076).

## 7 Staff costs and Trustee expenses

	2017	2016
	£	£
Trustees' remuneration:-		
Revd. Nigel Coles	34,589	34,139
Revd Alisdair Longwill	30,090	29,700
Revd Gary Woodall	28,740	27,924
	<u>93,419</u>	<u>91,763</u>
Social Security costs (trustees)	9,523	7,218
Staff Salaries (including redundancy costs)	61,907	53,724
Social Security costs (staff)	3,973	3,348
Trustee Pension costs (see note below)	23,886	23,333
Staff Pension costs (see note below)	547	2,022
Housing costs	11,747	7,992
Training - courses, conferences, assemblies	3,926	1,247
Council tax, water, telephone	13,407	15,986
Expenses and other costs	21,698	31,950
	<u>244,033</u>	<u>238,583</u>

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.

<i>Pension Contributions</i>		2017	2016
Trustees' pension contributions:-		£	£
Revd. Nigel Coles	Baptist Minister's Pension Trust Limited	8,775	8,555
Revd Alisdair Longwill	Baptist Minister's Pension Trust Limited	7,625	7,593
Revd Gary Woodall	Baptist Minister's Pension Trust Limited	7,486	7,185
		<u>23,886</u>	<u>23,333</u>
Staff	Baptist Union Staff Pension Scheme	547	2,022
Other Ministerial staff	Baptist Minister's Pension Trust Limited	-	-
		<u>24,433</u>	<u>25,355</u>

## 7 Staff costs and Trustee expenses (*continued*)

### 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%.

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.

	<b>BPS DB Plan</b>	<b>BUSPS</b>
Date of valuation	31 December 2013	1 January 2014
Date next valuation due	31 December 2016	1 January 2017
Market value of scheme assets (A)	£162m	£7.3m
Technical provisions (B)	£246m	£12.4m
Deficit [(B) - (A)]	£84m	£5.1m
Funding level [(A) / (B)]	66%	59%

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, to increase the standard rate of deficiency contributions payable by churches and other employers involved in the DB Plan is based on 12 % of Pensionable Income / Minimum Pensionable Income from 1 January 2016. The contributions will be based on each church's or other employer's position at March 2015. Some churches and other employers that were only involved in the DB Plan for a short period will pay less than 12%. The Recovery Plan envisages deficiency contributions continuing until 30 June 2035.

For the BUSPS, £759,000 pa from 1 January 2016. This amount increases each January in line with RPI inflation, and is split between the BUSPS sponsoring employers in line with their estimated share of the BUSPS liabilities. The Recovery Plan that sets out these contributions envisages deficiency contributions being required for some 10 years.

**Staff costs and Trustee expenses (continued)**

The key financial assumptions underlying the valuations were as follows:

<b>Type of assumption</b>	<b>Ministers and staff</b>
	<b>% pa</b>
RPI price inflation assumption	3.60%
CPI price inflation assumption	2.85%
Minimum Pensionable Income increases (BPS only)	3.85%
Pensionable Salary increases (BUSPS only)	3.85%
Assumed investment returns	
- Pre-retirement	5.10%
- Post retirement	3.95%
Deferred pension increases	
- Pre April 2009	3.60%
- Post April 2009	2.50%
Pension increases (BPS main scheme pension and BUSPS pension)	
- Pre April 2006	3.40%
- Post April 2006	2.30%

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.

<b>Total pension cost (£)</b>	<b>2017</b>	<b>2016</b>
BPS	23,886	23,333
BUSPS	547	2,022
Deficit contributions	55,732	-
<b>Total</b>	<b><u>80,165</u></b>	<b><u>25,355</u></b>

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.

**Staff costs and Trustee expenses (continued)**

	<b>2017</b>	2016
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 (2016 - 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 £126,828 (2016 - £122,314).

In 2017 no employee earned more than £60,000 per annum (2016 - Nil)

<i>Trustee expenses</i>	<b>2017</b>	2016
	£	£
Trustee expenses	404	341
	<u>404</u>	<u>341</u>

Expenses were paid to cover travelling, conference and other expenses to 4 trustees (2016 - 2 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 2016 Fund Comparatives****Statement of financial activities for the year ended 31 December 2016**

	<b>Unrestricted</b>	<b>Restricted</b>	<b>Endowment</b>	<b>Total</b>
	£	£	£	£
<b>INCOME FROM:</b>				
Donations	372,578	55,090	-	427,668
Investments	34,014	-	-	34,014
Charitable activities	77,782	-	-	77,782
Other	-	-	-	-
<b>Total Incomes</b>	<u>484,374</u>	<u>55,090</u>	<u>-</u>	<u>539,464</u>
<b>EXPENDITURE ON:</b>				
Charitable activities	411,322	18,942	-	430,264
<b>Total Expenditure</b>	<u>411,322</u>	<u>18,942</u>	<u>-</u>	<u>430,264</u>
Net Income/(expenditure) before transfers	73,052	36,148	-	109,200
Investment gains/(losses)	-	-	44,979	44,979
Net income before other recognised gains and losses	73,052	36,148	44,979	154,179
<b>Net Movement in Funds</b>	<u>73,052</u>	<u>36,148</u>	<u>44,979</u>	<u>154,179</u>
<b>Reconciliation of Funds</b>				
Total funds brought forward 1 January 2016	1,439,671	28,066	723,690	2,191,427
<b>Total Funds at 31 December 2016</b>	<u>1,512,723</u>	<u>64,214</u>	<u>768,669</u>	<u>2,345,606</u>

**10 Fixed Assets**

## a) Tangible fixed assets

The movement in the year was as follows:-

	Property £	Equipment £	Total £
<b>Cost</b>			
Beginning of year	493,631	12,888	506,519
Additions	-	1,508	1,508
End of year	<u>493,631</u>	<u>14,396</u>	<u>508,027</u>
<b>Depreciation</b>			
Beginning of year	1,221	10,794	12,015
Charge for the period	-	1,395	1,395
Disposals	-	-	-
End of year	<u>1,221</u>	<u>12,189</u>	<u>13,410</u>
<b>Net book value</b>			
31 December 2017	<u>492,410</u>	<u>2,207</u>	<u>494,617</u>
31 December 2016	<u>492,410</u>	<u>2,094</u>	<u>494,504</u>

## b) Association Property

	2017 £	2016 £
Land at Emersons Green	176,490	176,490
Manse at 3 The Hawthorns, Bussage,	300,270	300,270
Eastville Church	5,000	5,000
Stockwood Church	10,650	10,650
	<u>492,410</u>	<u>492,410</u>

**11 Investments**

	2017 £	2016 £
Market value at beginning of year	768,087	723,126
Acquisitions at cost	176,398	79,640
Sale proceeds from disposals	(149,888)	(119,312)
Gains in the period		
- Realised gains/(losses)	14,016	(1,200)
- Net unrealised gains/(losses)	(20,148)	56,605
Increase in cash balances	34,223	29,228
Market value as at 31 December	<u>822,688</u>	<u>768,087</u>

	2017 £	2016 £
Investments at market value comprise:-		
UK equities	187,356	196,750
UK fixed interest securities	91,598	104,789
UK other investments	178,891	97,113
Overseas equities	102,462	141,295
Barclays cash balances	174,855	174,855
Cash balances	87,525	53,284
Wholly Owned Trading Subsidiary	1	1
	<u>822,688</u>	<u>768,087</u>
Historical cost at 31 December	<u>542,829</u>	<u>529,530</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 2017	208,089	668,648	876,737
Loan repayments	(58,981)	-	(58,981)
Interest Charge	2,699	-	2,699
New loans	33,701	-	33,701
Balance at 31 December 2017	<u>185,508</u>	<u>668,648</u>	<u>854,156</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 £45,774 (2016 - £44,235) equity in the property.
- ii) Woodside House, Stroud, the church acquired a 30% share in the property.
- iii) Sion Road is currently let at commercial rent whilst a decision is considered over its further use as a Mission house.

**13 Debtors**

	2017	2016
	£	£
Trade debtors	-	253
Accrued income	-	4,927
Amounts due from Subsidiary undertakings	13,813	13,877
	<u>13,813</u>	<u>19,057</u>

**14 Cash at bank and in hand**

	2017	2016
	£	£
HSBC Bank	24,844	12,575
CAF Cash/Gold	62,716	169,647
COIF Charity Fund	14,100	13,981
PayPal	2,649	190
Petty cash	593	166
	<u>104,902</u>	<u>196,559</u>

**15 Creditors**

	2017	2016
	£	£
<b>Amounts falling due within one year</b>		
Trade creditors	2,558	8,178
Other creditors	-	1,160
Deferred income	12,271	-
	<u>14,829</u>	<u>9,338</u>

**16 Commitments under operating leases**

At 31 December 2017 the organisation had annual commitments under non-cancellable operating leases as set out below.

	Equipment 2017	Equipment 2016
	£	£
<b>Operating leases which expire:</b>		
Within 1 year	588	160
Between 2 to 5 years	<u>588</u>	<u>-</u>

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

	At 1 January 2017	Income	Expenditure	Other Movements & Transfers	At 31 December 2017
	£	£	£	£	£
<b>Unrestricted</b>					
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	-	-	(30,288)	1,154,845
Pension Deficit Fund	50,000	-	-	-	50,000
Tilshead Fund	115,000	-	-	-	115,000
<b>Total unrestricted</b>	<b>1,512,723</b>	<b>361,396</b>	<b>(478,329)</b>	<b>-</b>	<b>1,395,790</b>
<b>Restricted</b>					
Home Mission & Other Causes	654	-	-	-	654
"The 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>	<b>64,214</b>	<b>33,486</b>	<b>(19,152)</b>	<b>-</b>	<b>78,548</b>
<b>Expendable endowment</b>					
Income fund	592,379	-	-	32,340	624,719
	<b>592,379</b>	<b>-</b>	<b>-</b>	<b>32,340</b>	<b>624,719</b>
<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>768,669</b>	<b>-</b>	<b>-</b>	<b>32,340</b>	<b>801,009</b>
<b>TOTAL FUNDS</b>	<b>2,345,606</b>	<b>394,882</b>	<b>(497,481)</b>	<b>32,340</b>	<b>2,275,347</b>

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

	At 1 January 2016	Income	Expenditure	Other Movements & Transfers	At 31 December 2016
	£	£	£	£	£
<b>Unrestricted</b>					
General fund	414,242	466,091	(398,424)	(370,631)	111,278
<b>Designated</b>					
Ministers Conference	4,935	10,515	(12,898)	-	2,552
North Bristol Ecumenical	18,886	-	-	(18,886)	-
Painswick	17,184	-	-	-	17,184
Lay ministries	110	-	-	-	110
Partnership for Mission	23,698	7,768	-	-	31,466
Support Fund	960,616	-	-	224,517	1,185,133
Pension Deficit Fund	-	-	-	50,000	50,000
Tilshead Fund	-	-	-	115,000	115,000
<b>Total unrestricted</b>	<b>1,439,671</b>	<b>484,374</b>	<b>(411,322)</b>	<b>-</b>	<b>1,512,723</b>
<b>Restricted</b>					
Home Mission & Other Causes	654	-	-	-	654
"The Seventy-Two"	-	55,090	(18,942)	-	36,148
Leighterton & Culkerton	16,762	-	-	-	16,762
Stockwood Church	10,650	-	-	-	10,650
<b>Total restricted</b>	<b>28,066</b>	<b>55,090</b>	<b>(18,942)</b>	<b>-</b>	<b>64,214</b>
<b>Expendable endowment</b>					
Income fund	547,400	-	-	44,979	592,379
	<b>547,400</b>	<b>-</b>	<b>-</b>	<b>44,979</b>	<b>592,379</b>
<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>723,690</b>	<b>-</b>	<b>-</b>	<b>44,979</b>	<b>768,669</b>
<b>TOTAL FUNDS</b>	<b>2,191,427</b>	<b>539,464</b>	<b>(430,264)</b>	<b>44,979</b>	<b>2,345,606</b>

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.

## 17 Statement of Funds (Continued)

### 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.

### 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 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, for the charity itself, 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.

### 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 the appropriate beneficiary.

### "The Seventy-Two" (restricted)

WEBA oversees and manages "The Seventy-Two", a network of regional associations working together to be a catalyst helping people find their place in the mission of God. The fund holds funds restricted to this initiative.

### 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.

### Lay ministries (designated)

WEBA lay ministries group aims to support primarily preachers but also every member ministry in churches across the association. The group facilitates this through encouragement and training.

**17 Statement of Funds (Continued)****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.

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

	<b>Unrestricted</b>	<b>Restricted</b>	<b>Endowment</b>	<b>Total 2017</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Tangible Fixed assets	307,677	10,650	176,290	494,617
Programme-related investments	854,156	-	-	854,156
Investments	193,984	3,985	624,719	822,688
Debtors	13,813	-	-	13,813
Cash at bank and in hand	40,989	63,913	-	104,902
Creditors falling due in one year	(14,829)	-	-	(14,829)
	<b>1,395,790</b>	<b>78,548</b>	<b>801,009</b>	<b>2,275,347</b>

**Unrestricted: analysed between funds**

	<b>General</b>	<b>Designated</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Tangible Fixed assets	-	307,677	307,677
Programme-related investments	-	854,156	854,156
Investments	-	193,984	193,984
Debtors	13,813	-	13,813
Cash at bank and in hand	1,016	39,973	40,989
Creditors falling due in one year	(14,829)	-	(14,829)
	<b>-</b>	<b>1,395,790</b>	<b>1,395,790</b>

**Prior Year**

	<b>Unrestricted</b>	<b>Restricted</b>	<b>Endowment</b>	<b>Total 2016</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Tangible Fixed assets	483,854	10,650	-	494,504
Programme-related investments	876,737	-	-	876,737
Investments	-	3,985	764,102	768,087
Debtors	19,057	-	-	19,057
Cash at bank and in hand	142,413	49,579	4,567	196,559
Creditors falling due in one year	(9,338)	-	-	(9,338)
	<b>1,512,723</b>	<b>64,214</b>	<b>768,669</b>	<b>2,345,606</b>

**18 Assets analysed between funds (Continued)****Unrestricted: analysed between funds**

	<b>General</b>	<b>Designated</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Tangible Fixed assets	-	483,854	483,854
Programme-related investments	-	876,737	876,737
Investments	-	-	-
Debtors	19,057	-	19,057
Cash at bank and in hand	101,559	40,854	142,413
Creditors falling due in one year	(9,338)	-	(9,338)
	-	-	-
	<u>111,278</u>	<u>1,401,445</u>	<u>1,512,723</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 (2016 - £6,000) towards the administrative costs were paid to the Association. At the balance sheet date West of England Baptist Payroll Company Limited, owed the charity £13,813 (2016 - £13,877).

During the year donations of £nil were received from Trustees (2016 - £nil from Trustees).

**A Support Fund**

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

<b>Churches</b>	<b>Balance at 01-Jan-17 £</b>	<b>Interest Charged £</b>	<b>Loan Repayments £</b>	<b>New Loans £</b>	<b>Balance at 31-Dec-17 £</b>
Chalford	30,000	-	-	-	30,000
Lechlade	20,870	-	5,250	-	15,620
Patchway	(97)	97	-	-	-
Stapleton, Bristol	(115)	115	-	-	-
Westbury West End	(514)	514	-	-	-
Stratton Green	21,457	728	22,185	-	-
Other	9,636	-	5,115	8,700	13,221
Wichelstowe	55,000	-	-	-	55,000
City Road	2,755	-	6,201	25,001	21,555
Shepton Mallet	(106)	106	-	-	-
Dundry	11,675	1,140	12,815	-	-
St George	57,528	-	7,416	-	50,112
	<b>208,089</b>	<b>2,700</b>	<b>58,982</b>	<b>33,701</b>	<b>185,508</b>

**B By Funding Source**

<b>Property</b>	<b>£</b>	<b>Unrestricted</b>	<b>Restricted</b>	<b>Endowment</b>
Land at Emersons Green	176,490	200	-	176,290
Manse at 1 Bishop Road, Emersons	i 248,853	248,853	-	-
Manse at 3 The Hawthorns, Bussage, 61 Sion Road Bedminster	ii 300,270	300,270	-	-
Eastville Church	5,000	5,000	-	-
Woodside House	iii 208,635	208,635	-	-
Stockwood Church (Restricted)	10,650	-	10,650	-
	<b>1,161,059</b>	<b>974,119</b>	<b>10,650</b>	<b>176,290</b>
<b>Equipment</b>	<b>2,207</b>	<b>2,207</b>	<b>-</b>	<b>-</b>
<b>Total Property &amp; Equipment</b>	<b>1,163,266</b>	<b>976,326</b>	<b>10,650</b>	<b>176,290</b>

- i The Manse property at Emerson 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 15.8% (£45,774).
- ii The house at 61 Sion Road is currently being rented from the Association by East Street Baptist church as a Manse.
- 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.*