



West of England Baptist Association

(A Company limited by Guarantee)

ANNUAL REPORT & ACCOUNTS

for the year ended 31 December 2019

Registered in England Company number: 04326752

Charity number: 1092443

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Report of the trustees for the year ended 31 December 2019

The trustees are pleased to present their report with financial statements of the charity for the year ended 31 December 2019.

Reference and administrative information set out on pages 10 and 11 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 2019:-

Focus of our work:

We continue to increase the proportion of both RM Teams and regional staff teams, time and energy focused on facilitating our core convictions in practice, in partnership with our local churches. The increasing number of churches who have engaged or are now engaging with the Re-imagine process is proving to be our most positive mechanism in facilitating this. We believe we are in a position whereby, whatever stage our churches are at (on the spectrum of thriving to declining) we can offer appropriate support and encouragement towards God's preferred future.

Four more of our churches signed up for the 2019 cycle. The launch weekend was a very successful start and we held a 're-boot' day in June for the Ministers or key leaders of the numerous churches who have already completed the process.

Seventy-two: Once again we took a lead with the Seventy-two stand at Spring Harvest in Minehead and Harrogate (weeks 1 and 2). This proved very successful, according to the feedback from everyone who took part this year. We were joined by staff from six other Associations, plus some local representation and non-regional staff, which provided a broader level of engagement.

Leadership Development: We ran both **Invest** and **Forge Mission** Training launch weekends for both cohorts together. Our present context highlighted an increased need for training and equipping more people in missional leadership, as few of our churches appear to rise the challenge left to their own devices. The first year of Invest concluded in November and the responses of all seven on the year, as well as the church leaders of the relevant churches were all very positive.

Ensuring our work delivers our aims:

Association Partnership: Our partnership, with three others 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. We spent twenty-four hours together at Lee Abbey on the rugged North Devon coast on the edge of the haunting yet beautiful Valley of the Rocks. This provided a perfect setting for all to enjoy a time of quiet reflection and warm fellowship.

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. In May a new member was welcomed to the team Rev Lindsay Caplen who will be working part-time as a Pioneering Planting Catalyst amongst our network of churches. Lindsay comes from ministry at Central Church Chelmsford and also works part-time for the London Institute for Contemporary Christianity. We are thrilled at the prospect of Lindsay joining us. She expresses that she longs to see God's people equipped to live out Christ's amazing love, justice, compassion and life-transforming power in their homes, workplaces and communities.

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. Alex Drew our events 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. In January we welcomed to the team a new member of staff, Jessica Collard (nee Brown). Jess will be working part time as the Office Administrator and brings many qualities that will complement the team. 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. It was with great sadness that we learnt of the death of our much-loved brother and colleague Bob Morris in July. Bob worked one day per week as our Children's Youth and Families Enabler. He was a larger than life character with an even bigger heart who brought vision, enthusiasm and invaluable experience to the role. The attendance at his thanksgiving service at Cirencester Baptist Church was testimony indeed to how this man was loved, respected and admired. Bob you will be greatly missed.

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.

AGM: In July we held our AGM and Summer Gathering at Chipping Sodbury 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.

Webnet - Vision refresh: The Core Team held an away day together in November. The draft document was to be made available for Trustees' input and to re-submit it to their meeting early in 2020.

How we delivered to our Network of churches:

Renew: Wellbeing: In the Spring Ruth Rice was central to our 'WEBA Wellbeing Week'. It was really encouraging that the diary was full for the week for potential new Wellbeing Centres with one-to-ones, as well as for group training and retreat.

Gender Identity training day: Was held in May at Clevedon. This was extremely valuable, although numbers in attendance were a little disappointing. The day had been planned as a consequence of a consultation that we had held with our churches the year before. It proved to be a very helpful and informative day giving opportunity for a number of views and opinions to be expressed.

Albania Partnership: A number of WEBA churches formed a church-to-church link with the Albanian Baptist Union. A visit in September by a group from the association went well. The ABU have pioneered three new church plants in the last two years, but these are very fragile, and all the leaders are very stretched with little, or no, income. We therefore began a conversation as to how we could encourage our churches to best support these fledgling churches in a practical way.

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 Home Missions. In response to this we continued to encourage the "Home Mission Ambassadors" initiative. Throughout the year we continued discussion on our current Home Mission grant's 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 always sets the tone and creates a backdrop that inspires the eighty or so delegates. All were able to relax in the very comfortable surroundings enjoying the fellowship and teaching of Ian Stackhouse and Helen Paynter.

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 vast number of very willing and committed volunteers who give freely and gladly of their time to growing healthy churches in kingdom building.

Network Gatherings: Our focus was on "Talking Jesus", along with an encouragement for as many churches, as possible, to run their own course, or at least join in with someone else's. These gatherings were held in venues around the region throughout the year.

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 16. The charity reports an overall surplus for the year of £13,713 across all funds. The unrestricted General Fund reported an overall deficit of £20,581. No new loans were made to churches during the year and the outstanding balance on support loans decreased from £161,276 to £155,558 (note 17). 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 Home Mission appeal. For many years, the response to the appeal has been gradually falling and therefore this major income source for the Association continues to be under pressure, but in 2019 the grant showed a small increase to £215,838 (2018: £214,186). The Association's response to the pressure on Home mission funding has been to seek other income sources. Other donations received in 2019 (accounts note 2) were £75,583 (2018: £61,457). Charging for charitable activities (accounts note 4) raised £78,939 (2018: £93,055). Investment income (accounts note 3) fell to £22,997 from £33,005 in 2018 which was abnormally high. All this meant that there would have been a substantial deficit if we had not received £105,978 from the sale of the former manse of the now closed Blakeney Baptist Church.

The Association uses its income both to fund the infrastructure of the Association, to run various training and development programmes and to make individual grants to churches. The infrastructure 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. Grants are listed in accounts note 6, in 2019 these totalled £85,592 (2018: £96,555), the intention is that the number and overall value of grants will be maintained or increased.

Note 7 to the accounts details the Association's membership of and liability to the Baptist Pension Scheme, at the end of the year the liability stood at £128,611 (2018: £136,934).

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.

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 in order to sustain current and future cash flow and help to meet projected expenditure.

The level of reserves: In considering the appropriate level of reserves trustees take into account staffing requirements and agreed strategic aims. The trustees also take into account how the Association is financially supported by an annual grant from the Baptist Union of Great Britain Home Mission (BUGB), this is agreed in advance for each year and gives a level of certainty to forecast donation income. Free reserves held by the charity at the year end total £12,252. Free reserves are considered to be total funds of £2,097,110 less restricted funds of £52,681, endowed funds of £813,457 and designated funds of £1,218,720.

Included in the designated funds is an amount to cover the Pension Scheme deficit of £128,611, (2018: £136,934), see Note 7. The Association (as part of the Baptist Union Pension Scheme) has agreed a deficit repayment schedule with the Pensions Regulator.

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.

COVID-19

During 2020, the Association's activities have been affected by Covid-19, the offices have been closed and staff have worked from home. Our main support base, Baptist Churches have all been closed from March 23rd until a gradual and limited reopening from August onwards. The Association has sufficient reserves to continue operating, but it is likely that the downward trend of income from the Baptist Union Home Mission Appeal, which we have seen over recent years, will accelerate. Over the coming months we will review our operation so that it remains sustainable over the medium to long term.

Investment policy

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 bylaws.

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.

Officers

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

Executive Members

Graham Sims; Stephen Robinson; Stephen Finamore; Philip Poole; Steve Christian, Paul Salmons (appointed July 2019) and Simon Gray.

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

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.

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:

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R. English,

Association Manager and Company Secretary

Dated 2020

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 2019.

Responsibilities and basis of report

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

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

Independent examiner's statement

Since 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 2019

Notes	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2019 £	Total 2018 £
					(Restated)
INCOME FROM:					
Donations	2 381,575	15,824	-	397,399	275,643
Investments	3 22,997	-	-	22,997	33,005
Charitable activities	4 78,939	-	-	78,939	93,055
Other income:	-	-	-	-	17,746
Total Income	483,511	15,824	-	499,335	419,449
EXPENDITURE ON:					
Charitable activities	5 537,856	18,405	-	556,261	488,347
Total Expenditure	537,856	18,405	-	556,261	488,347
Investment gains/(losses)	4,088	-	71,491	75,579	(44,122)
Pension liability movements	(4,940)	-	-	(4,940)	91,638
Net income/expenditure and Net Movement in Funds	(55,197)	(2,581)	71,491	13,713	(21,382)
Reconciliation of Funds					
Total funds brought forward 1 January 2019 (Restated)	1,286,169	55,262	741,966	2,083,397	2,104,779
Total Funds at 31 December 2019	1,230,972	52,681	813,457	2,097,110	2,083,397

2018 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.

**Summary income and expenditure account
For the year ended 31 December 2019**

	Total 2019 £	Total 2018 £
Total Income	499,335	419,449
Total Expenditure	(556,261)	(488,347)
Investment gains	4,088	14,921
Pension liabilities	(4,940)	91,638
Net income/(expenditure) for the year	<u>(57,778)</u>	<u>37,661</u>

2018 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.

Cash Flow Statement
For the year ended 31 December 2019

	Notes	2019 £	2018 £
Net cash inflow from operating activities	16A	(49,047)	(108,917)
Investment income		22,997	33,005
Non-operational cashflows			
Capital expenditure and financial investment:			
- Payments for tangible fixed assets		-	(3,016)
- Payments for investments acquired		(65,924)	(151,081)
- Receipts from sale of investments		88,428	68,895
- Payments to pension deficit fund		(13,263)	(12,885)
Net cash inflow/(outflow) for the year	16B	(16,809)	(173,999)

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 2019

		Total 2019	Total 2018 (Restated)
		£	£
Fixed assets	Note		
Tangible assets	10a	489,295	490,483
Investments	11	736,799	749,396
Programme-related investments	12	839,686	837,286
		<u>2,065,780</u>	<u>2,077,165</u>
Current assets			
Debtors	13	18,071	37,413
Cash at bank and in hand	14	167,013	118,150
		<u>185,084</u>	<u>155,563</u>
Creditors: amounts falling due within one year	15	(38,406)	(25,660)
Net current assets		<u>146,678</u>	<u>129,903</u>
Total assets less current liabilities		<u>2,212,458</u>	<u>2,207,068</u>
Creditors: amounts falling due within one year			
Pension deficit liability		(115,348)	(123,671)
Net Assets		<u>2,097,110</u>	<u>2,083,397</u>
The funds of the charity:			
Unrestricted funds:			
General	17	12,252	32,833
Designated	17	1,218,720	1,253,336
		<u>1,230,972</u>	<u>1,286,169</u>
Restricted	17	52,681	55,262
Endowment	17	813,457	741,966
Total funds		<u>2,097,110</u>	<u>2,083,397</u>

For the year ended 31st December 2019 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 on and signed on their behalf by:

.....

Rev Steve Robinson
 Chair of Trustees (Formerly Moderator)

Company number: 04326752

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

Notes to financial statements
31 December 2019**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.

k) 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)

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).

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 initially at cost less subsequent depreciation.

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 basis 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 for indications of impairment is made on an annual basis.

1 Accounting policies (*Continued*)

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.

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) Programme related investments

Support loans are made to churches or individuals to help them achieve their charitable objectives where they line up with those of the charity. Interest is paid at a rate agreed by the trustees. They are recognised at the amount outstanding to the charity at the end of the year. The properties are rented out to other organisations with similar charitable objects as those of the charity. They are valued in the accounts at revaluation amount. The properties are revalued by the trustees every five years.

g) 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 donations given towards the capital of the charity of which the purpose of the fund is to generate income for the on-going work of the Association. The trustees have the power to convert these funds to general funds.

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.

h) 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.

i) Current liabilities

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.

j) 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.

2 Income from Donations

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

	Unrestricted	Restricted	Endowment	Total 2019	Total 2018
	£	£	£	£	£
Home Mission Funding	215,838	-	-	215,838	214,186
Home Mission Special Ministry Grants	-	-	-	-	4,730
Donations	22,266	-	-	22,266	37,215
Partnership for Mission	16,706	-	-	16,706	12,599
WeBox Appeal	20,787	-	-	20,787	4,230
Seventy-two	-	15,824	-	15,824	2,683
Share of proceeds on sale of Blakeney	105,978	-	-	105,978	-
	<u>381,575</u>	<u>15,824</u>	<u>-</u>	<u>397,399</u>	<u>275,643</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.

All income from donations in 2018 was unrestricted except for £2,683 restricted income received for the Seventy-Two project.

3 Income from Investments

	Unrestricted	Restricted	Endowment	Total 2019	Total 2018
	£	£	£	£	£
Income from investments	22,063	-	-	22,063	32,997
Bank interest	934	-	-	934	8
	<u>22,997</u>	<u>-</u>	<u>-</u>	<u>22,997</u>	<u>33,005</u>

All income from investments in 2018 was unrestricted.

4 Income from Charitable activities

	Unrestricted	Restricted	Endowment	Total 2019	Total 2018
	£	£	£	£	£
Church income re Regional Ministers	2,997	-	-	2,997	2,336
Subsidiary companies - payroll & management charge	16,200	-	-	16,200	16,110
Programme related investment income	31,753	-	-	31,753	32,106
Training courses	-	-	-	-	92
Ministers Conference	12,023	-	-	12,023	6,060
Committees & conferences	15,966	-	-	15,966	36,351
	<u>78,939</u>	<u>-</u>	<u>-</u>	<u>78,939</u>	<u>93,055</u>

All income from charitable activities in 2018 was unrestricted.

5 Expenditure on Charitable activities

	Total 2019	Total 2018 (Restated)
	£	£
Assemblies, Conferences & Events	23,357	21,521
Employees (see note 7)	304,616	232,309
Grants payable (see note 6)	10,268	7,660
Hospitality	812	2,109
Management & administration	18,299	12,195
Depreciation	1,188	2,149
Property costs	80,895	81,034
Subscriptions	707	695
Home Mission & Other Causes (see note 6)	75,324	88,895
WeBox	14,854	8,117
Seventy-two	17,751	25,969
Independent examination	2,766	2,658
Legal & professional fees	4,376	2,580
Trustees expenses (included in note 7)	1,048	456
	<u>556,261</u>	<u>488,347</u>

All expenditure from charitable activities in 2018 was unrestricted except for £25,969 restricted expenditure on the Seventy-Two project.

6 Analysis of grants

	Unrestricted £	Restricted £	Endowment £	Total 2019 £	Total 2018 £
Home Mission grants:					
Pill Baptist Church	-	-	-	-	7,300
The Stowe	8,004	-	-	8,004	12,332
Knowle West Baptist Church	14,604	-	-	14,604	14,606
Stapleton Baptist Church	996	-	-	996	3,500
Worle Baptist Church	7,296	-	-	7,296	9,000
Bristol University Chaplain	4,116	-	-	4,116	4,000
Chew Magna Baptist Church	5,004	-	-	5,004	5,000
City Road Baptist Church	5,004	-	-	5,004	5,000
Stonehouse Baptist Church (grant repaid)	(1,356)	-	-	(1,356)	5,425
Welton Baptist Church	6,996	-	-	6,996	3,500
St Marks Baptist Church	6,996	-	-	6,996	2,332
St George Baptist Church	-	-	-	-	7,300
Portishead project	-	-	-	-	6,000
Melksham Baptist Church	4,668	-	-	4,668	-
Cheddar Baptist Church	6,996	-	-	6,996	-
Regional minister funding	6,000	-	-	6,000	-
SWBA	-	-	-	-	3,000
BUGB	-	-	-	-	600
	<u>75,324</u>	<u>-</u>	<u>-</u>	<u>75,324</u>	<u>88,895</u>
Other grants:					
English Churches Together - Ecumenical					
Regional Grants	1,600	-	-	1,600	2,975
Partnership for Mission (see below)	8,668	-	-	8,668	4,685
	<u>10,268</u>	<u>-</u>	<u>-</u>	<u>10,268</u>	<u>7,660</u>
	<u>85,592</u>	<u>-</u>	<u>-</u>	<u>85,592</u>	<u>96,555</u>

All grants paid in 2018 were from unrestricted funds.

6 Analysis of grants (continued)

The partnership for mission initiatives includes funding made to St George £4,000 (2018 - £nil), Melksham £4,668 (2018 - £nil), Portishead £nil (2018 - £245) from the Partnership for Mission Fund (formerly the New Churches Fund), and sponsoring Knowle West £nil (2018 - £4,930).

7 Staff costs and Trustee expenses

	2019	2018
	£	£
Regional Ministers' remuneration:-		(Restated)
Revd. Nigel Coles - Trustee	36,014	34,963
Recharged to Seventy-two	(15,000)	(8,000)
	<u>21,014</u>	<u>26,963</u>
Social Security costs (trustees)	3,887	3,060
Trustee Pension costs (see note below)	9,192	8,924
Total Trustees' remuneration	<u>34,093</u>	<u>38,947</u>
Staff Salaries	137,502	130,953
Social Security costs (staff)	8,205	8,032
Other Staff Pension costs (see note below)	54,883	3,481
Housing costs	28,190	16,423
Training - courses, conferences, assemblies	2,227	2,645
Council tax, water, telephone	9,576	8,364
Expenses and other costs	29,940	23,464
	<u><u>304,616</u></u>	<u><u>232,309</u></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 Costs to SOFA</i>		2019	2018
Regional Ministers' pension contributions:-		£	£
			(Restated)
Revd. Nigel Coles - Trustee	Baptist Pension Scheme	9,192	8,924
Staff	Baptist Pension Scheme	4,883	3,481
Balance of deficit contributions payable for BUSPS Scheme		50,000	-
		<u>64,075</u>	<u>12,405</u>

Staff numbers and key management personnel

	2019	2018
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 8 (2018 - 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 £133,277 (2018 - £119,235). This includes gross salary and employer's national insurance and pension contributions. Other benefits received are detailed above.

In 2019 no employee earned more than £60,000 per annum (2018 - Nil)

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

	2019	2018
	£	£
Trustee expenses	1,048	456
	<u>1,048</u>	<u>456</u>

Expenses were paid to cover travelling, conference and other expenses to 4 trustees (2018 - 3 trustees).

Pensions

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

For any month, each participating employer in the Scheme pays contributions as set out in the Schedule of Contributions in force at that time.

The Scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This is because it is not possible to attribute the Scheme's assets and liabilities to specific employers and means that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are contributions payable towards benefits and expenses accrued in that year, plus any impact of deficiency contributions (see below).

Ministers and some members of church staff are eligible to join the scheme. From January 2012, pension provision is being made through the Defined Contribution (DC) Plan within the Scheme. In general, members pay 8% of their Pensionable Income and employers pay 6% of members' Pensionable Income into individual pension accounts, which are operated and managed on behalf of the Pension Trustee by Legal and General Life Assurance Society Limited. In addition, the employer pays a further 4% of Pensionable Income to cover Death in Service Benefits, administration costs, and an associated insurance policy which provides income protection for Scheme members 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 pay reduced contributions of 5% of Pensionable Income, and their employers also pay a total of 5%. The further 4% contribution rate is reduced to 3% for Employer contributions made to the segregated DC Arrangement.

Benefits in respect of service prior to 1 January 2012 are provided through the Defined Benefit (DB) Plan within the Scheme. The main benefits for pre-2012 service were a defined benefit pension of one-eightieth of Final Minimum Pensionable Income for each year of Pensionable service, together with additional additional pension in respect of premiums paid on Pensionable Income in excess of minimum Pensionable Income. The scheme, previously known as the Baptist Ministers' Pension Fund, started in 1925, but was closed to future accrual of defined benefits on 31 December 2011.

Actuarial valuation as at 31 December 2016

A formal valuation of the Defined Benefit (DB) Plan was performed at 31 December 2016 by a professionally qualified Actuary using the Projected unit Method. The market value of the DB Plan assets at the valuation date was £219 million.

The valuation of the DB Plan revealed a deficit of assets compared with the value of liabilities of £93 million (equivalent to a past service funding level of 70%). The Church and the other employers supporting the DB Plan are collectively responsible for funding this deficit.

7 Staff costs and Trustee expenses (continued)**Pensions- (continued)**

The key assumptions underlying the valuation were as follows:

Type of financial assumption	%pa
RPI price inflation assumption	3.50
CPI price inflation assumption	2.75
Minimum Pensionable Income increases (CPI plus 0.75%pa)	3.50
Assumed investment returns	
Pre-retirement	3.50
Post retirement	2.25
Deferred pension increases	
Pre-April 2009	3.50
Post April 2009	2.50
Pension increases	
Main scheme pension Pre April 2006	2.70
Main scheme pension Post April 2006	2.00

Post-retirement mortality in accordance with 75% of the S2NFA and S2NMA tables, with allowance for future improvements in mortality rates from 2007 in line with the CMI 2016 core projections, with a long term annual rate of improvement of 1.75% for males and 1.5% for females.

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

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

Under the current recovery Plan dated 16 December 2018, deficiency contributions are payable until 31 December 2028. These contributions are broadly based on the employer's membership at 31 December 2014 and increase annually in line with increases to Minimum Pensionable Income as defined in the Rules.

Movement in Balance sheet liability

Section 28.11 of FRS102 requires agreed deficit recovery payments to be recognised as a liability. The movement in the provision is set out in the table below:

Accounting date (year ending):	31/12/2019	31/12/2018
Balance sheet liability at year start	136,934	241,457
Minus deficiency contributions paid	-13,263	-12,885
Interest cost (recognised in SoFA)	3,130	5,171
Remaining change to balance sheet liability* (recognised in SoFA)	1,810	(96,809)
Balance sheet liability at year end	<u>128,611</u>	<u>136,934</u>

* Comprises any change in agreed deficit recovery plan and change in assumptions between year-ends.

The year -end creditor has been included in the accounts as follows:

Creditors (amounts falling due within one year)	13,263	13,263
Creditors (amounts falling due after more than one year)	115,348	123,671
	<u>128,611</u>	<u>136,934</u>

7 Staff costs and Trustee expenses (continued)**Pensions- (continued)**

This liability represents the present value of the deficit contributions agreed as at the accounting date and has been valued

Accounting date	31/12/2019	31/12/2018
Discount rate	1.7%	2.4%
Future increases to Minimum Pensionable Income	3.2%	3.3%
Total pension cost	£	£ (Restated)
BPS	12,241	11,438
BUSPS	1,834	967
Deficit contributions	50,000	-
	64,075	12,405
Refund of deficit contributions overpaid in previous years	-	(17,746)
Total	64,075	(5,341)

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 Fund Comparatives for the year ended 31 December 2018

	Unrestricted	Restricted	Endowment	Total 2018
	£	£	£	£
	(Restated)			(Restated)
INCOME FROM:				
Donations	272,960	2,683	-	275,643
Investments	33,005	-	-	33,005
Charitable activities	93,055	-	-	93,055
Other income	17,746	-	-	17,746
Total Incomes	416,766	2,683	-	419,449
EXPENDITURE ON:				
Charitable activities	462,378	25,969	-	488,347
Total Expenditure	462,378	25,969	-	488,347
Investment gains/(losses)	14,921	-	(59,043)	(44,122)
Other liabilities and charges	91,638	-	-	91,638
Net Income/(expenditure) and net Movement in Funds	60,947	(23,286)	(59,043)	(21,382)
Reconciliation of Funds				
Total funds brought forward 1 January 2018	1,225,222	78,548	801,009	2,104,779
Total Funds at 31 December 2018	1,286,169	55,262	741,966	2,083,397

10 Fixed Assets

a) Tangible fixed assets

The movement in the year was as follows:-

	Freehold Property	Office Equipment	Total
Cost	£	£	£
Beginning and end of the year	488,631	17,412	506,043
Depreciation			
Beginning of year	1,221	14,339	15,560
Charge for the period	-	1,188	1,188
End of year	1,221	15,527	16,748
Net book value			
31 December 2019	487,410	1,885	489,295
31 December 2018	487,410	3,073	490,483

b) Association Property

	2019	2018
	£	£
Land at Emersons Green	176,490	176,490
Manse at 3 The Hawthorns, Bussage, Stockwood Church	300,270	300,270
	10,650	10,650
	<u>487,410</u>	<u>487,410</u>

11 Investments

	2019	2018
	£	£
Market value at beginning of year	749,396	898,577
Acquisitions at cost	65,924	151,708
Sale proceeds from disposals	(88,428)	(68,895)
Gains in the period		
- Realised gains	8,423	12
- Net unrealised gains	67,156	(44,134)
Decrease in cash balances	(65,672)	(187,872)
Market value as at 31 December	<u>736,799</u>	<u>749,396</u>

Investments at market value comprise:-

	2019	2018
	£	£
UK equities	192,321	190,405
UK fixed interest securities	90,899	88,776
UK other investments	120,525	11,982
Overseas equities	247,703	307,210
Cash balances - WEBTC	55,312	139,433
Cash balances - Charles Stanley	30,038	11,589
Wholly Owned Trading Subsidiary	1	1
	<u>736,799</u>	<u>749,396</u>
Historical cost at 31 December	<u>539,160</u>	<u>568,141</u>

West of England Baptist Association is the principal and legal holder of these investments, they are managed by West of England Baptist Trust Company Limited as custodian trustees.

12 Programme-related investments

	Support		
	Loans	Properties	Total
	£	£	£
Balance at 1 January 2019	168,638	668,648	837,286
Loan repayments	(10,600)	-	(10,600)
New loans	13,000	-	13,000
Balance at 31 December 2019	<u>171,038</u>	<u>668,648</u>	<u>839,686</u>

Programme related investment properties have been purchased when the charity has come across an opportunity to extend their charitable activities with a partner organisation, either immediately or in the future.

The following properties are held currently:

Manse at 1 Bishop Road, Emersons Green	248,852
61 Sion Road Bedminster	211,161
Woodside House, Stroud	208,635
	<u>668,648</u>

The Manse at 1 Bishop Road in Emerson's Green currently houses a church minister. An agreement was reached with Emersons Green Church for them to acquire the equity of the property 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 (2018 - £47,368) equity in the property.

61 Sion Road, Bedminster was purchased as the local church was closing, with a view to beginning a new missionary work in the local area. The building is currently rented to YWAM for their work with young people.

Woodside House in Stroud was purchased as it is within the vicinity of Farmhill Baptist Church. It is currently rented to a Christian drug rehabilitation charity.

13 Debtors

	2019	2018
	£	£
Prepayments	1,000	-
Amounts due from Subsidiary undertakings	17,071	37,413
	<u>18,071</u>	<u>37,413</u>

14 Cash at bank and in hand

	2019	2018
	£	£
HSBC Bank	18,099	7,653
CAF Cash/Gold	134,603	93,631
COIF Charity Fund	14,285	14,182
PayPal	-	2,649
Petty cash	26	35
	<u>167,013</u>	<u>118,150</u>

15 Creditors

	2019	2018
	£	£
Amounts falling due within one year		(Restated)
Other Creditors	6,688	-
Accruals and deferred income	18,455	12,397
Pension deficit liability	13,263	13,263
	<u>38,406</u>	<u>25,660</u>

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

	2019	2018
	£	£
		(Restated)
Statement of Financial Activities: Net movement in funds	13,713	(21,382)
Investment income	(22,997)	(33,005)
Depreciation	1,188	2,149
Realised movement on investments	(8,423)	(12)
Unrealised movement on investments	(67,156)	44,133
(Decrease)/Increase in creditors	12,746	(2,432)
(Increase)/Decrease in debtors	19,342	(23,600)
(Increase)/Decrease in programme related investments	(2,400)	16,870
Changes to valuation of pension fund liability	4,940	(91,638)
Net cash outflow from operating activities	(49,047)	(108,917)

B. Analysis of changes in cash flow during the year

		2019	2018	Change
		£	£	£
Cash at bank and in hand		167,013	118,150	48,863
Cash in Investment Portfolio	Note 11	85,350	151,022	(65,672)
Cash & cash equivalents		<u>252,363</u>	<u>269,172</u>	<u>(16,809)</u>
		2018	2017	Change
		£	£	£
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>

17 Statement of Funds**Current Year**

	At 1 January			Other	At 31
	2019	Income	Expenditure	Movements	December
	£	£	£	& Transfers	2019
				£	£
Unrestricted					
General fund	32,833	466,805	(476,999)	(10,387)	12,252
Designated					
Fixed assets	303,543	-	-	(1,188)	302,355
Programme-related investments	837,286	-	-	2,400	839,686
Painswick	15,690	-	(747)	-	14,943
Partnership for Mission	68,751	16,706	(8,668)	-	76,789
Pension Deficit Fund	50,000	-	(50,000)	-	-
Tilshead Fund	115,000	-	(1,442)	-	113,558
Pension deficit fund	(136,934)	-	-	8,323	(128,611)
Total unrestricted funds	1,286,169	483,511	(537,856)	(852)	1,230,972
Restricted					
Home Mission & Other Causes	654	-	(654)	-	-
Seventy-two	27,196	15,824	(17,751)	-	25,269
Leighterton & Culkerton	16,762	-	-	-	16,762
Stockwood Church	10,650	-	-	-	10,650
Total restricted funds	55,262	15,824	(18,405)	-	52,681
Expendable endowment					
Income fund	565,676	-	-	71,491	637,167
	565,676	-	-	71,491	637,167
Permanent endowment					
Avening Fund	176,290	-	-	-	176,290
Total Endowment	176,290	-	-	-	176,290
Total Endowment	741,966	-	-	71,491	813,457
TOTAL FUNDS	2,083,397	499,335	(556,261)	70,639	2,097,110

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

	At 1 January 2018	Income	Expenditure	Other Movements & Transfers	At 31 December 2018
	£	£	£	£	£
	(Restated)		(Restated)	(Restated)	(Restated)
Unrestricted					
General fund	-	396,668	(435,425)	71,590	32,833
Designated					
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
Pension deficit fund	(241,457)	-	-	104,523	(136,934)
Total unrestricted	1,225,222	416,766	(462,378)	106,559	1,286,169
Restricted					
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
Total restricted	78,548	2,683	(25,969)	-	55,262
Expendable endowment					
Income fund	624,719	-	-	(59,043)	565,676
	624,719	-	-	(59,043)	565,676
Permanent endowment					
Avening Fund	176,290	-	-	-	176,290
Total Endowment	176,290	-	-	-	176,290
Total Endowment	801,009	-	-	(59,043)	741,966
TOTAL FUNDS	2,104,779	419,449	(488,347)	47,516	2,083,397

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.

Fixed Asset Fund (designated)

This fund exists to support the Association itself in funding the fixed assets it needs to carry out its charitable objects. It includes equipment, the manse at Bussage and the portion of land held at Emersons Green not held within endowment funds (see notes 17 and 18).

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

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.

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.

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. This was fully spent at the end of the year.

Partnership for Mission (designated)

This fund has been established to enable church planting and other pioneering activities within the Association.

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.

BU Pension deficit fund (designated)

In December 2016, trustees agreed to designate £50,000 as a pension reserve. In 2019, these funds were 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.

Pension deficit fund (designated)

This negative fund relates to agreed payments the Association owes the Baptist Union Pension scheme over the coming years as described in note 7 above. The fund has been set aside separately such that free reserves can be shown separately to the pension catch up payments. Repayments of £13,263 were paid to the scheme during the year.

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.

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.

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.

17 Statement of Funds (continued)**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.

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.

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. This is the land at Emerson's Green.

18 Assets analysed between funds**Current Year**

	Unrestricted	Restricted	Endowment	Total 2019
	£	£	£	£
Tangible Fixed assets	302,355	10,650	176,290	489,295
Programme-related investments	839,686	-	-	839,686
Investments	99,527	3,985	633,287	736,799
Net current assets	108,451	38,227	-	146,678
Creditors of more than one year	(115,348)	-	-	(115,348)
	<u>1,234,671</u>	<u>52,862</u>	<u>809,577</u>	<u>2,097,110</u>

Unrestricted: analysed between funds

	General	Designated	Total
	£	£	£
Tangible Fixed assets	-	302,355	302,355
Programme-related investments	-	839,686	839,686
Investments	36,218	63,309	99,527
Net current assets	(23,966)	132,417	108,451
Creditors of more than one year	-	(115,348)	(115,348)
	<u>12,252</u>	<u>1,222,419</u>	<u>1,234,671</u>

Prior Year

	Unrestricted	Restricted	Endowment	Total 2018
	£	£	£	£
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	89,276	40,627	-	129,903
Creditors of more than one year	(123,671)	-	-	(123,671)
	<u>1,286,169</u>	<u>55,262</u>	<u>741,966</u>	<u>2,083,397</u>

Unrestricted: analysed between funds

	General	Designated	Total
	£	£	£
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	88,748	89,276
Creditors of more than one year	-	(123,671)	(123,671)
	<u>32,833</u>	<u>1,253,336</u>	<u>1,286,169</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 (2018 - £9,000) towards the administrative costs were paid to the Association. The company paid a donation of £29,000 (2018: £23,600) to the charity during the year. At the balance sheet date West of England Baptist Payroll Company Limited, owed the charity £17,071 (2018 - £37,413).

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 £22,185 (2018: £20,646). At the year end, the company held cash on behalf of the Association of £55,311 (2018: £139,433), and investments of £669,525 (2018: £597,181).

During the year donations of £nil were received from Trustees (2018 - £nil).

Details of trustees' remuneration and trustees' expenses reimbursed are shown in note 7.

There were no other related party transactions during the year.

Programme related investment properties are valued at a total of £668,648, and are disclosed as such for the following reasons:

- 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 Sion Road was purchased after the local church was about to close, to provide a base for a new ministry to begin. The house is currently being rented from the Association by Youth with a Mission to assist with their work amongst young people in the local area.
- iii Woodside House, Stroud shares a common boundary with the Farmhill Church was purchased during 2015 to provide a base for new missionary work within the area. It is currently rented to a Christian charity operating a drug rehabilitation centre .

22 Prior year adjustment

During the year, it became apparent that the charity should recognise the pension deficit liability owed on the Baptist Pension Scheme in the accounts as a result of the requirements of FRS102. It had not been included in previous years. This has resulted in increased creditors due within one year in 2018 of £13,263, and an increase in creditors due after more than one year of £123,671. An additional interest cost of £5,171 was paid, and the charity benefitted from other gains on the fund of £96,809, both of which were charged to the SOFA. Deficit contributions of £12,885 prev charged to the SOFA were reallocated against the liability. A negative designated fund balance of £136,934 was created to show the amount due by the charity at the end of the year.

Funds b/f into 2018 were impacted negatively by £241,457, and funds brought forward into 2019 were impacted negatively by £136,934.