

Charity registration number 1091066

Company registration number 04279837 (England and Wales)

**THE SOUTHERN COUNTIES BAPTIST ASSOCIATION**  
**ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**



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southern counties baptist association

# THE SOUTHERN COUNTIES BAPTIST ASSOCIATION

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees:</b>	Rev'd Judith Wheatley Mr Andrew Johnson Mrs Ann Andrews Mr John Bragg Rev'd Christopher Brockway Mr Peter Brookes Rev'd Anthony Clarke Mr Jason Collis Rev'd Simon Ford Ms Emma Green Rev'd Martin Hardwidge Rev'd Clare Hooper Rev'd Jonathan Keyworth Rev'd Dr Colin Norris Rev'd Hayley Young	Interim Moderator of the Trustees (from January 2022) Association Treasurer  (Until 7th November 2022) (Appointed 17th May 2023)  Regent's Park College Representative  (Appointed 7th November 2022) (Appointed 1st July 2023) (Appointed 7th November 2022) Regional Ministry Team Leader (Until 31st Jan 2023) (Appointed 1st July 2023)
<b>Regional Ministry Team:</b>	Rev'd Dr Colin Norris Rev'd Stephen Barber  Rev'd Simon Gray Rev'd Clare Hooper Rev'd Jonathan Hunt Rev'd James Thomas	Regional Ministry Team Leader Interim Regional Minister (until September 2022) Regional Minister (from Sep. 2022) Regional Minister/Operations Lead (from Sep. 2022) Regional Minister, Children, Youth & Families Regional Minister (until June 2022) Regional Minister, Mission Development (from Sep. 2022)
<b>Staff Team:</b>	Mrs Amy Allen Mr Keith Baldwin  Mrs Joy Cheang	Administration Manager Interim Safeguarding Adviser (from July 2022) Safeguarding Adviser (from November 2022) Safeguarding Adviser (until July 2022)
<b>Charity number</b>	1091066	
<b>Company number</b>	04279837	
<b>Registered office and operational address</b>	Baptist House 129 Broadway Didcot Oxfordshire OX11 8XD	
<b>Independent examiner</b>	Colin Dadswell FCA FCCA DChA Caladine Limited Chantry House 22 Upperton Road Eastbourne East Sussex BN21 1BF	
<b>Bankers</b>	HSBC Bank plc 186 Broadway Didcot OX11 8RP	

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# THE SOUTHERN COUNTIES BAPTIST ASSOCIATION

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# THE SOUTHERN COUNTIES BAPTIST ASSOCIATION

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

### FOR THE YEAR ENDED 31 DECEMBER 2022

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The Trustees, who are also directors of the Association for the purposes of company law, are pleased to present their Annual report and financial statements of the charitable company for the period 1 January 2020 to 31 December 2022, which are prepared to meet the requirements for a director's report and accounts for Companies Act purposes.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charity's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

#### **Objectives and activities**

The Southern Counties Baptist Association (also known as SCBA) is a registered charity (number 1091066). It was incorporated as a private limited company on 31 August 2001 and is governed by Articles and Memorandum of Association.

The objective of the charitable company is 'the advancement of the Christian faith especially by 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'.

The principal activities of the charitable company are the employment of Regional Ministers and administrative staff team, with the involvement of a number of volunteers, working in groups or individually, to offer support and guidance, training and financial resources to advance the Christian religion in a way which benefits Baptist churches and the communities in which they serve.

The charitable company is part of the family of Baptist organisations serving the needs of many of the Baptist Churches in Great Britain, working particularly closely with the Baptist Union of Great Britain and BMS World Mission.

#### **Public benefit**

The trustees, having regard to the Charity Commission's guidance document, 'public benefit: running a charity (PB2)', continued to provide public benefit by seeking to advance the Christian religion and practice 'according to the principles of the Baptist denomination' and with the Objects of the charitable company. More detailed information about the activities and their success is provided in the "Achievements and Performance" section of this report.

The charitable company aims to:

#### *Short-term:*

- Co-operate with churches directly and through working groups by passing appropriate resolutions to enable building development projects, including the provision of grants and loans, including Sustainable Energy Funding. Many of these projects are directly aimed at making church buildings more accessible and available to the local community.
- Assist churches and ministers that are seeking new ministries through the National Settlement process.
- Assist individuals in exploring a call to any Baptist ministry by signposting various routes to recognised Baptist ministry, interviewing candidates, supporting ministerial candidates and providing Baptist Union approved training for Regionally Recognised Leaders and lay pastors.(our RRL formation fulfils BUGB requirements for Lay Pastors so they can be separately listed).
- Encourage dialogue within churches or between churches and their local community.
- Encourage the SCBA Grants Committee as it continues to seek creative ways of supporting churches in their mission using Baptist Home Mission, Pioneering and other Association funds.
- Receive and consider reports from the SCBA Strategy Groups and the Regional Ministers, enabling the charitable company to maintain effective governance.

# THE SOUTHERN COUNTIES BAPTIST ASSOCIATION

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

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#### *Long-term:*

- Make Safeguarding training available on a rolling programme, encouraging and enabling members of our churches to receive training at a reduced cost or free, and ensuring that ministers have completed Level 2 & 3 training.
- Ensure, through its Staff, Finance & Administration Group, responsible and effective stewardship of the resources of the charitable company.
- Encourage churches to support Baptist Home Mission and BMS World Mission through prayer, direct partnership with mission personnel and financial gifts, so that the Gospel of Jesus Christ can continue to be shared in the UK and abroad.
- Support the staff employed by the charitable company through the provision of appropriate training and support, and provision of clear and effective staffing and other policies.
- Seek appropriate and timely advice on issues having a potentially wide-ranging effect with a view to mitigating risk.

The aim of our charity is to inspire, connect and resource healthy churches in relationship for God's mission and this fully reflects the purposes that the charity was set up to further. The team and trustees sought to achieve these aims in a number of ways, primarily providing support to the churches and their ministers to enable them to advance the Christian religion by public worship and their objects but also including granting assistance to churches seeking to improve their premises, encouraging churches to adopt robust safeguarding policies and practice, acting to provide help and support to churches seeking to improve their own governance and holding the Regional Ministers accountable for their support for churches seeking to advance the Christian religion in their communities.

The trustees review our aims, objectives and activities each year through appraisals of the team and the work that they have carried out. In doing this, not only are we able to ensure that our aims, objectives and activities remain focussed, but also that the team are carrying out their roles to the best of their abilities.

#### Significant Activities of our Association included:

- Hosting events for ministers and leaders, including a three-day conference, to teach and to develop and deepen their relationship with God
- Providing Home Mission Grants to sustain churches and organisation for mission in their communities
- Providing support for our Association churches, ministers and leaders, including pastoral, safeguarding and monetary.
- Through different Association working groups, continuing to assess and develop the various aspects of our mission, including finance, safeguarding and leadership development.
- Identifying, partnering with and resourcing pioneer mission initiatives

The Association's volunteers have roles either as trustees on the Steering and Strategy Group; or as non-trustee members of one of the Association working groups. The Association also uses volunteers to carry out their safeguarding training sessions, who are trained to a high standard to fulfil this role.

# THE SOUTHERN COUNTIES BAPTIST ASSOCIATION

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2022**

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### **Achievements and performance**

The Association is made up of **148** member churches of the Association, mainly located in Berkshire, Dorset, Hampshire, Isle of Wight, Oxfordshire and Wiltshire, covering thirteen counties in total. The Regional Ministers gave regular input to individual churches about good practice, backed up by the resources of the Baptist Union, as well as being involved in conflict resolution when necessary.

The testing of the call to ministry is carried out by a Ministerial Recognition Group formed as part of the South West Partnership and was carried out online with the four Associations. The Regional Ministers also oversee the development of ministers during their first three years of ministry. Five ministers became Fully Accredited Ministers and will be recognised at the Baptist Assembly in 2023, with fourteen Newly Accredited Ministers attending online reflection session in February and September.

The Regional Ministry Team spent the year making contact with their allocated churches and ministers, giving advice and support where needed, as well as attending church meeting and leading or speaking at services, both online and in-person. This has continued to be in contact with all of the Association contacts through a monthly email with up-to-date information of what is happening both nationally and in the Association.

In June 2022, Revd Joth Hunt left his role as Regional Minister to take a role as Regional Minister Team Leader for South East Baptist Association. Following on from the strategic review, the trustees decided to restructure the roles, and following a day of interviews, Revd Stephen Barber was called as part-time Regional Minister for the north, whilst continuing to serve Orchard Baptist Church part-time; Revd Simon Gray was called as Regional Minister – part-time Operations Lead and part-time general for the south-east; and Revd James Thomas was called as part-time Regional Minister, Mission Development.

The team and trustees continued to work on the Strategic Review carried out by Helen Cameron, and in particular the five strategic priorities: clusters, mission development, pioneering, children, youth and families, and leaders development; and the two main enabling priorities: the reserves policy and people strategy. Helen Cameron led an Away Day for the team and trustees in March to work further on this.

In-person Safeguarding Training continued throughout the year. The Safeguarding Training is run across the Association with a trained team of Safeguarding Trainers (all of whom are volunteers) in the light of the national policies and procedures. In 2022, 1,292 ministers, leaders and church members of SCBA church were trained in level 2 and level 3 safeguarding by SCBA safeguarding trainers.

In the period 1st January 2022 to 31st December 2022, SCBA continued to receive a high number of contacts for safeguarding advice. This remains at a relatively high level and is thought to be related to an increase in safeguarding training provision (34 training days were held), the continued raising of awareness of safeguarding matters and an increase in societal stress. Confusion and concern around Gender Issues have also led to concerns for many churches. These issues are being considered by the National Team and it is hoped that helpful advice and information will be forthcoming. The Association Safeguarding Advisor is able to provide support to the churches, liaising with both the Regional Ministry Team and National Safeguarding Team as appropriate.

Various events, training and meetings were held throughout the year. 87 Ministers and Leaders attended our three-day in Cheltenham conference held in February, led by Revd Geoff Colmer. This was our first in-person three-day conference after Covid, and it was great to be back together. The first day of the conference was an opportunity for a selection of our groups to meet up together, including the children, youth and family workers, newly accredited ministers, and chaplains.

In June two leaders' days, one held in-person and one held online, were attended by 65 ministers and leaders, led by Jonas Kurlberg, speaking on 'Digital Theology'. In November. The leaders' day and AGM was attended by 83 leaders and ministers and was led by Hannah Fleming-Hill and Isabella Senior, speaking on 'Building for the Future: Equipping the Church for the Next Generation'. The children, youth and families workers continued to meet both online and in person for training and support.

# THE SOUTHERN COUNTIES BAPTIST ASSOCIATION

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

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The Association made a difference to its beneficiaries in terms of support, advice and training when requested or offered. Also, the Home Mission Group and the Staff, Finance and Administration Group vetted and advised on the applications for Home Mission grants from 11 churches and 4 para-church organisations, including consultation about the approach taken with representatives from South-West, West and South Wales Baptist Associations with whom we informally partner. The Association has also made a number of grants to individuals for education and development.

At the end of 2022, there were 22 pioneers within SCBA. 12 were accredited Baptist Ministers (or MiTs); 2 were RRLs; 8 had no Baptist accreditation. 6 were on the staff of an established church; 4 were seconded to other denominations or non-denominational projects; 5 operated as a church/CIO in their own right; 3 were effectively self-employed and had other income sources; 4 were supported directly by SCBA (either through stipend, housing or expenses). 6 of our pioneers were supported by a Home Mission grant. The pioneers were pastorally supported by an SCBA pioneering network and represented by a pioneering steering group.

In reviewing the achievements and performance of the Association during the reporting period, this is mainly achieved through the number of ministers, leaders, members and churches who have interacted with the Association in some way, whether through events, training, or meeting with the Regional Ministry Team.

A number of positive and negative factors, both within and outside the charity's control, have affected achievements of its objectives. The continued employment of the Safeguarding Adviser has been an extremely positive factor, taking some of the pressure and work from the Regional Ministry Team. The working groups continue to evolve so that the varied aspects of the Association's work are covered. The working groups are currently: Staff, Finance and Administration; Children, Youth and Families; Safeguarding; Leadership and Ministerial Development; Mission Development; Home Mission; Pioneering and Communications.

Since the new team has been in place, it has been easier to keep in touch with the 148 churches. However, there are also those churches who are difficult to contact, sometimes because they do not wish to have contact with the Association and are very independent. The restriction of finance and resources will continue to have a negative impact on the objectives in the future of the Association and the way the objectives are fulfilled.

In regard to fundraising activities, the Association has a major responsibility for encouraging churches to donate funds to the Baptist Union Home Mission Appeal but such encouragement is limited to drawing attention to the need and benefits during meetings and church visits, on the SCBA website, and in letters from the Association Treasurer to the church treasurers. In 2022, the giving by SCBA churches failed to reach the target set for the Association by the Baptist Union.

The Association is not permitted to raise funds to meet its operational or administrative costs, other than to meet the expenses of events, such as training. However, the Association does receive gifts for the Confidential Fund, established to relieve the hardship of ministers or spouses. A grant from the money raised for the Baptist Union Home Mission in 2021 was given to the Association to cover staff salaries and administrative costs in 2022, as well as to distribute to Home Mission grant recipients. This is the principal source of income to cover the operating costs of the Association. The Association did not use any material expenditure to raise income in the reporting period.

#### **Financial review**

During 2022 the overall funds of the Association decreased by £45,825 (2021: an increase of £456,496).

The Association had Unrestricted general funds of £1,962,303 at the period end and £303,018 restricted funds. The Association's general fund totalled £1,326,088 at the end of 2022. Funds of £636,215 are held as loan funds for interest free loans to churches, of which £211,289 was on loan. In addition there were designated funds amounting to £100,994.

# THE SOUTHERN COUNTIES BAPTIST ASSOCIATION

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

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#### **Reserves policy and going concern**

The Association maintains reserves of £450,000 which currently represent approximately 9 months full running costs.

The trustees have recognised that, taking into account the size of the staff team, the Association will be running a deficit budget for a number of years which is likely to be with in the region of £135,000 a year unless additional funds accrue.

Given the existing level of unrestricted funds above and beyond that necessary to maintain the Association's reserves the trustees consider the Association remains a going concern despite an excess of expenditure over income. However, since there is little prospect of a significant reduction in costs if the Association continues to operate at its current level, the trustees have engaged in the Strategic Review mentioned earlier.

The Association incurred financial costs on the majority of its events. In 2021, SCBA did not charge for any of its online events including the Minister' and Leaders' Conference and the Leaders' Day in June. It did charge those attending the AGM and Leaders' Day in-person in November, but additional costs included the speaker fee and staff mileage are covered by the Association. The Association did not charge for the online safeguarding training but the in-person training event at the end of the year was largely covered by the charge to those attending. Association support, events and training also incur the costs of the Regional Ministry Team time and mileage, though the mileage costs were largely reduced with the ongoing Covid restrictions until July 2021.

In regard to investment performance, funds not required for immediate purposes were deployed with the Baptist Union Corporation Ltd, which employs investment manager. The Baptist Union Trustees monitor investment performances through their Finance and Audit Committee.

The principal risk facing the Association is the current deficit budget. This has been fully identified but the trustees, through the Staff, Finance and Administration Group. The Association trustees and Regional Ministry Team continue to meet to discuss the Strategic Review and the way forward whilst working with a deficit budget. However, monies from closed church are currently covering the deficit to some extent but cannot be relied on long-term.

The principal funding source to SCBA is form Home Mission giving from out Association churches, either through SCBA or directly to the Baptist Union. This is then put into a 'shared pot' with the other Association in the union, and SCBA then receive a percentage of the total amount. An increase in giving to the Home Mission fund from SCBA churches may not directly result in an increased grant directly to SCBA.

The Association is part of a very complex multi-employer defined benefit pension scheme comprising approximately 1,200 employers. SCBA have now paid off the pension debt that was owed for the Association. Debts to churches that had closed and who did not own a building to sell were also covered by SCBA. The Association has conducted research to establish other churches whose trustees would be liable to pay the pension debt if the church closed (and if a building sale will not cover the debt) and SCBA will also be able to cover these debts.

#### **Risk management**

The Trustees have assessed the major risks to which the Charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

#### **Plans for future periods**

During 2023, the charitable company will seek to continue to fulfil its objectives in creative ways that will assist in the advancement of the Christian religion and the enrichment of church and community life in the Southern Counties.

The Regional Ministry Team will plan to keep the regular activities in place. These activities include: the continuation of Safeguarding Training available to all churches and communities; supporting the member churches, both pastorally through the Regional Ministry Team, and for some, financially through grants; and hosting ministers' and leaders' events including a three-day conference and the AGM. The Board of Trustees will continue to work on the findings of the Strategic Review of the Association, particularly reviewing the current deficit.

# THE SOUTHERN COUNTIES BAPTIST ASSOCIATION

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

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#### Structure, governance and management

The charitable company is governed by its Memorandum of Association and Articles of Association and Rules. The Objects of this charitable company are the advancement of the Christian religion 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.

The charity is an Incorporated Private Limited Company and is constituted of a board of eleven trustees, who are also the Company's Directors, including the Moderator and the Treasurer, who oversee the works of the charity. The charity's members are the 148 churches within the Association, who have the right to appoint two representatives to attend and to vote at the general meeting of the Association.

The board of Trustees consists of:

- The Regional Ministry Team Leader
- The Moderator appointed by the members of the Association
- The Treasurer appointed by the members of the Association
- A person appointed by Regent's Park College for such term of office and accordance with such procedures and rules as shall from time to time be decided by the College
- Seven trustees appointed by the members of the Association (two further trustees were appointed by vote at the AGM in November 2022)

The Trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mr Andrew Johnson

Mrs Anne Andrews

Mr John Bragg (Resigned 7 November 2022)

Revd Christopher Brockway (Appointed 17 May 2023)

Mr Peter Brookes

Rev'd Anthony Clarke

Mr Jason Collis

Rev'd Simon Ford

Ms Emma Green (Appointed 7 November 2022)

Rev'd Martin Hardwidge

Revd Clare Hooper (Appointed 1 July 2023)

Revd Jonathan Keyworth (Appointed 7 November 2022)

Rev'd Dr Colin Norris (Resigned 31 January 2023)

Rev'd Judith Wheatley (Appointed 19 January 2022 and resigned 31 March 2023)

Revd Hayley Young (Appointed 1 July 2023)

Up to six trustees can be appointed on to the trustee board, three of which will be appointed solely to enable the trustee board to positively represent the age, sex and ethnic origin of the membership of the member churches.

The Association Moderator is at the head of the Association. Below this role are the rest of the board of the trustees including the Association Treasurer. The Regional Ministry Team Leaders is responsible for the rest of the team of three Regional Ministers and three support staff. A structure of strategic and enabling groups is in place to support the various aspects of the Association. These areas are: Staff Finance and Administration; Leadership and Ministerial Development; Children, Youth and Families; Safeguarding; Pioneer Mission; Mission Development; Home Mission and Communication. In line with the Memorandum and Articles, the majority of the decisions made by the charity as a whole will be made by the board of trustees, though on occasions, the other strategy groups or Regional Ministry Team will make decisions and inform the board of trustees of these decisions.

# THE SOUTHERN COUNTIES BAPTIST ASSOCIATION

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

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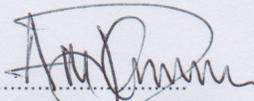
Prospective trustees are advised of the qualifications for serving as charity trustees and directors. They are invited to an informal discussion with the Moderator or Regional Ministry Team Leader to discuss the appointment. On appointment they are provided with an overview of the governing documents of instruments and activities of the charitable company, along with the Association policies and past trustee meeting minutes. Trustees are invited to various training sessions hosted by the Association or Baptist Union for its members, including Data Protection and Safeguarding.

The Regional Ministry Team are paid a stipend which is in line with the recommended stipend by the Baptist Union plus a percentage depending on their position in the team. Housing allowance and expenses are also paid on a monthly basis. The rest of the staff team are paid a salary, decided by the board of trustees, plus any out-of-pocket expenses. All volunteers within the Association are paid any out-of-pocket expenses, particularly for travel to and from meeting and events.

Key Management personnel remuneration: the charitable company consider their key management personnel to be the charitable company's board of trustees. The pay and remuneration of the employees of the charitable is set by the charitable company through the board of trustees and its finance group and is based upon the Baptist Union recommended stipend.

The charitable company is a member of the Baptist Union of Great Britain, paying a subscription to this charity. Funds from the Home Mission fund, which is the principle working fund of the Union, are received by the charitable company and dispersed by its Grants Group, as well as used for the running of the Association. The Association also works informally in partnership with three other association within the Baptist Union: West of England Network, South West Baptist Association and South Wales Baptist Association. The partnership is mainly for mutual support, inspiration and advice in pursuing the aims and objectives of the Associations.

The Trustees' report was approved by the Board of Trustees.



Mr Andrew Johnson

Trustee

Dated: 13th September 2023

# THE SOUTHERN COUNTIES BAPTIST ASSOCIATION

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

*FOR THE YEAR ENDED 31 DECEMBER 2022*

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The Trustees, who are also the directors of The Southern Counties Baptist Association for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally 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 Charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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 judgements 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 operation.

The Trustees are responsible for keeping adequate 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.

# THE SOUTHERN COUNTIES BAPTIST ASSOCIATION

## INDEPENDENT EXAMINER'S REPORT

### TO THE TRUSTEES OF THE SOUTHERN COUNTIES BAPTIST ASSOCIATION

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I report to the Trustees on my examination of the financial statements of The Southern Counties Baptist Association (the Charity) for the year ended 31 December 2022.

#### Responsibilities and basis of report

As the Trustees of the Charity (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the financial statements of the Charity 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 the Charity's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

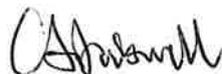
#### Independent examiner's statement

Since the Charity'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 Association of Chartered Certified Accountants, 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 that in any material respect:

- 1 accounting records were not kept in respect of the Charity as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements 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 financial statements 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 financial statements to be reached.



**Colin Dadswell FCA FCCA DChA**

Caladine Limited  
Chantry House  
22 Upperton Road  
Eastbourne  
East Sussex  
BN21 1BF

Dated: 22/09/2023

# THE SOUTHERN COUNTIES BAPTIST ASSOCIATION

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2022

### Current financial year

	Notes	Unrestricted funds general 2022 £	Unrestricted funds designated 2022 £	Restricted funds 2022 £	Total 2022 £	Total 2021 £
<b>Income from:</b>						
Donations and legacies	3	1,000	-	26,120	27,120	32,691
Charitable activities	4	351,581	-	-	351,581	251,577
Investments	6	12,912	-	-	12,912	8,466
Other income	5	39,731	-	-	39,731	587,738
<b>Total income</b>		<b>405,224</b>	<b>-</b>	<b>26,120</b>	<b>431,344</b>	<b>880,472</b>
<b>Expenditure on:</b>						
Charitable activities	7	462,560	39,656	28,718	530,934	432,185
<b>Net (outgoing)/incoming resources before transfers</b>		<b>(57,336)</b>	<b>(39,656)</b>	<b>(2,598)</b>	<b>(99,590)</b>	<b>448,287</b>
Gross transfers between funds	21	(38,266)	37,956	310	-	-
<b>Net (expenditure)/income for the year/ Net (outgoing)/incoming resources</b>		<b>(95,602)</b>	<b>(1,700)</b>	<b>(2,288)</b>	<b>(99,590)</b>	<b>448,287</b>
<b>Other recognised gains and losses</b>						
Actuarial gain on defined benefit pension schemes		53,765	-	-	53,765	8,209
<b>Net movement in funds</b>		<b>(41,837)</b>	<b>(1,700)</b>	<b>(2,288)</b>	<b>(45,825)</b>	<b>456,496</b>
Fund balances at 1 January 2022		2,004,140	102,694	305,306	2,412,140	1,955,644
<b>Fund balances at 31 December 2022</b>		<b>1,962,303</b>	<b>100,994</b>	<b>303,018</b>	<b>2,366,315</b>	<b>2,412,140</b>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

# THE SOUTHERN COUNTIES BAPTIST ASSOCIATION

## STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2022

Prior financial year

	Notes	Unrestricted funds general 2021 £	Unrestricted funds designated 2021 £	Restricted funds 2021 £	Total 2021 £
<b>Income from:</b>					
Donations and legacies	3	-	180	32,511	32,691
Charitable activities	4	251,577	-	-	251,577
Investments	6	8,466	-	-	8,466
Other income	5	587,738	-	-	587,738
<b>Total income</b>		<b>847,781</b>	<b>180</b>	<b>32,511</b>	<b>880,472</b>
<b>Expenditure on:</b>					
Charitable activities	7	364,894	-	67,291	432,185
<b>Net (outgoing)/incoming resources before transfers</b>		<b>482,887</b>	<b>180</b>	<b>(34,780)</b>	<b>448,287</b>
Gross transfers between funds	21	(68,757)	(25,534)	94,291	-
<b>Net (expenditure)/income for the year/ Net (outgoing)/incoming resources</b>		<b>414,130</b>	<b>(25,354)</b>	<b>59,511</b>	<b>448,287</b>
<b>Other recognised gains and losses</b>					
Actuarial gain on defined benefit pension schemes		8,209	-	-	8,209
<b>Net movement in funds</b>		<b>422,339</b>	<b>(25,354)</b>	<b>59,511</b>	<b>456,496</b>
Fund balances at 1 January 2021		1,581,801	128,048	245,795	1,955,644
<b>Fund balances at 31 December 2021</b>		<b>2,004,140</b>	<b>102,694</b>	<b>305,306</b>	<b>2,412,140</b>

# THE SOUTHERN COUNTIES BAPTIST ASSOCIATION

## STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

	Notes	2022		2021	
		£	£	£	£
<b>Fixed assets</b>					
Property, plant and equipment	13		1,290,133		795,763
Investments	14		12,020		12,020
			<u>1,302,153</u>		<u>807,783</u>
<b>Current assets</b>					
Debtors falling due after one year	15	184,827		164,010	
Debtors falling due within one year	15	29,183		34,043	
Cash at bank and in hand		947,204		1,533,678	
		<u>1,161,214</u>		<u>1,731,731</u>	
<b>Current liabilities</b>	16	(47,052)		(16,276)	
Net current assets			<u>1,114,162</u>		<u>1,715,455</u>
<b>Total assets less current liabilities</b>			2,416,315		2,523,238
<b>Non-current liabilities</b>	17		(50,000)		(50,000)
<b>Provisions for liabilities</b>			-		(61,098)
<b>Net assets</b>			<u>2,366,315</u>		<u>2,412,140</u>
<b>Income funds</b>					
Restricted funds	21		303,018		305,306
<u>Unrestricted funds</u>					
Designated funds	22	737,209		750,929	
General unrestricted funds		1,326,088		1,355,905	
			<u>2,063,297</u>		<u>2,106,834</u>
			<u>2,366,315</u>		<u>2,412,140</u>

# THE SOUTHERN COUNTIES BAPTIST ASSOCIATION

## STATEMENT OF FINANCIAL POSITION (CONTINUED)

**AS AT 31 DECEMBER 2022**

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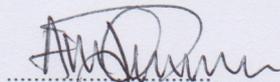
The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2022.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

The financial statements were approved by the Trustees on 13 September 2023



Mr Andrew Johnson  
Trustee

Company registration number 04279837

# THE SOUTHERN COUNTIES BAPTIST ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 DECEMBER 2022**

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### 1 Accounting policies

#### Company information

The Southern Counties Baptist Association is a private company limited by guarantee incorporated in England and Wales. The registered office is Baptist House, 129 Broadway, Didcot, Oxfordshire, OX11 8XD.

#### 1.1 Accounting convention

The financial statements have been prepared in accordance with the Charity's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The Charity is a Public Benefit Entity as defined by FRS 102.

The Charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

#### 1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

#### 1.3 Charitable funds

Unrestricted funds - represent those funds which can be used in accordance with the Association's charitable objects at the discretion of the Trustees.

Designated funds - represent those funds set aside by the trustees out of unrestricted general funds for specific future purposes or projects.

Restricted fund - can only be used for a particular restricted purpose within the charitable objects. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

#### 1.4 Income

Income is recognised in the Statement of Financial Activities when the Charitable Company has entitlement to the funds; any performance conditions attached to the item(s) of income have been met; it is probable that the income will be received; and that the amount can be measured reliably.

- Donations are accounted for gross when received.
- Grants receivable are accounted for in the year in which they are receivable.
- Investment income is included in the financial statements in the year in which it is receivable.
- Event and Conference fees are accounted for in the period the event was held

# THE SOUTHERN COUNTIES BAPTIST ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

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#### 1 Accounting policies (Continued)

##### 1.5 Expenditure

Expenditure is recognised in the Statement of Financial Activities once there is a legal constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

- Expenditure on charitable activities represents expenditure in the furtherance of the object of the Association
- Grants payable are agreed on an annual basis and accounted for in the year in which they are committed

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Expenditure under £2,000 on office furniture and computer equipment is written off as incurred. Expenditure over £2,000 on a single item will be written off over 4 years.

Support costs are those that assist the work of the association but do not directly represent the charitable activities and include governance costs.

Governance costs comprise all costs involving the public accountability of the association and its compliance with regulation and good practice. These costs include costs relating to the statutory accounts and independent examination.

Support costs have been 100% allocated to the charitable activity.

##### 1.6 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following basis:

Freehold land and buildings	Freehold Land - Nil, Freehold Buildings - Over 30 years
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Depreciation of buildings is based on an anticipated useful life of 30 years with a residual value equal to two thirds of the original cost.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

No depreciation is provided in the year of acquisition.

##### 1.7 Non-current investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

##### 1.8 Impairment of non-current assets

At each reporting end date, the Charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

# THE SOUTHERN COUNTIES BAPTIST ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2022**

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### **1 Accounting policies (Continued)**

#### **1.9 Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### **1.10 Financial instruments**

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

##### **Debtors**

Loans are considered concessionary loans as they are made by the charity to further its purposes. Loans are initially measured at the amount paid, with the carrying amount adjusted subsequently to reflect repayments. There is no interest charged on the loan amounts. Where any loan made is considered to be irrecoverable an impairment loss is recognised.

Other debtors are recognised at the settlement amount due.

##### **Creditors**

Creditors are recognised where the association has a present obligation resulting 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.

Accruals and other creditors are recognised at their settlement amount due.

##### **Provisions for liabilities**

A liability for the agreed pension scheme deficit plan has been included, in accordance with the Baptist Union Staff Pension Scheme Schedule of Contributions dated 16 December 2018.

#### **1.11 Taxation**

The charitable company is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part II Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

#### **1.12 Employee benefits**

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

# THE SOUTHERN COUNTIES BAPTIST ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

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#### 1 Accounting policies (Continued)

##### 1.13 Retirement benefits

###### Multi Employer Pension Plan

Prior to 2012 pension provision was made through multi-employer defined benefit pension plans. Where it is not possible for the charity to obtain sufficient information to enable it to account for a plan as a defined benefit plan, it accounts for the plan as a defined contribution plan.

Where the plan is in deficit and where the charity has agreed, with the plan, to participate in a deficit funding arrangement, the charity recognises a liability for this obligation. The amount recognised is the net present value of the contributions payable under the agreement that relate to the deficit. The unwinding of the discount is recognised as a finance cost and any other change in the measurement of this liability is expensed to the Statement of Financial Activities

###### Defined contribution pension plans

The Association operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the charity pays fixed contributions into a separate entity. Once the contributions have been paid the charity has no further payments obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the balance sheet. The assets of the plan are held separately from the charity in an independently administered fund.

#### 2 Judgements and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

- Judgements in applying the entity's accounting policies
- Multi-employer defined benefit pension schemes  
Certain employees participate in multi-employer defined benefit pension schemes with other organisations. In the judgement of the Trustees, the charity does not have sufficient information on the plan assets and liabilities to be able to reliably account for its share of the defined benefit obligation and plan assets. Therefore, the schemes are accounted for as defined contribution schemes: **see note 20 for further details.**
- Accounting estimates and assumptions
- Multi-employer defined benefit pension scheme: Baptist Union Staff Pension Scheme  
The Charity has an obligation to pay a deficit funding arrangement in respect of the multi-employer defined benefit pension scheme. The present value of the obligation depends on a number of factors including the RPI rate and the discount rate on corporate bonds. Management estimates these factors in determining the new pension obligation in the balance sheet.
- Recoverability of loan  
The recoverability of loans are assessed annually, and at the balance sheet date provisions for doubtful debts are provided based on prior year experiences.

# THE SOUTHERN COUNTIES BAPTIST ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 3 Donations and legacies

	Unrestricted funds general 2022 £	Restricted funds 2022 £	Total 2022 £
Donations and gifts	1,000	26,120	27,120
<b>Donations and gifts</b>			
Church of the Year gifts	-	3,962	3,962
Confidential Fund donations	-	190	190
Rural Ministry Grant	-	21,968	21,968
Other donations	1,000	-	1,000
	1,000	26,120	27,120

### For the year ended 31 December 2021

	Unrestricted funds designated 2021 £	Restricted funds 2021 £	Total 2021 £
Donations and gifts	180	32,511	32,691
<b>Donations and gifts</b>			
Church of the Year gifts	-	2,511	2,511
Confidential Fund donations	180	-	180
Rural Ministry Grant	-	30,000	30,000
	180	32,511	32,691

# THE SOUTHERN COUNTIES BAPTIST ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 4 Charitable activities

	2022 £	2021 £
Preaching and other fees	2,939	1,301
Leaders' Days & SCBA Event fees	1,921	2,108
SCBA Ministers' Conference Fees	16,437	-
Baptist Union grant for Operational Activities	296,370	244,670
Children youth & family retreat and safeguarding training	12,270	-
Charitable rental income	16,945	-
Other income	4,699	3,498
	<u>351,581</u>	<u>251,577</u>

### 5 Other income

	Unrestricted funds general 2022 £	Unrestricted funds general 2021 £
Closure of Redundant Churches	39,731	587,738
	<u>39,731</u>	<u>587,738</u>

### 6 Investments

	Unrestricted funds general 2022 £	Unrestricted funds general 2021 £
Loan and General Funds on Deposit with BU	12,511	8,065
Baptist Insurance Co Ltd - Dividends	401	401
	<u>12,912</u>	<u>8,466</u>

# THE SOUTHERN COUNTIES BAPTIST ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 7 Charitable activities

	2022 £	2021 £
Staff costs	283,533	297,430
Depreciation and impairment	7,283	4,496
Travel and Accommodation	22,537	9,016
Leaders Days and SCBA Event Costs	8,293	1,708
SCBA Ministers Conference	19,153	-
Community Learning Tutor	4,000	4,000
Confidential Fund	500	-
CYF Working group	3,021	79
Pioneer Mission Fund Expenses	1,309	1,448
	<u>349,629</u>	<u>318,177</u>
Grant funding of activities (see note 8)	152,204	85,283
Share of support costs (see note 9)	20,722	20,055
Share of governance costs (see note 9)	8,379	8,670
	<u>530,934</u>	<u>432,185</u>
<b>Analysis by fund</b>		
Unrestricted funds - general	462,560	364,894
Unrestricted funds - designated	39,656	-
Restricted funds	28,718	67,291
	<u>530,934</u>	<u>432,185</u>

### 8 Grants payable

	2022 £	2021 £
Grants to institutions:		
Home Mission Grant	128,520	82,583
Churches Together Grants	2,220	2,700
Church of the year	4,264	-
Warm spaces Grant	15,500	-
Educational and Sabbatical Grant	1,700	-
	<u>152,204</u>	<u>85,283</u>

# THE SOUTHERN COUNTIES BAPTIST ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 9 Support costs

	Support costs	Governance costs	2022	Support costs	Governance costs	2021
	£	£	£	£	£	£
Office Expenses and IT	1,349	-	1,349	981	-	981
Telephone	3,003	-	3,003	2,330	-	2,330
Volunteer Exp. and Fees	1,338	-	1,338	1,173	-	1,173
Staff Book & Study Allowance	1,052	-	1,052	1,102	-	1,102
Insurance	1,830	-	1,830	5,952	-	5,952
Building Hire	3,500	-	3,500	3,500	-	3,500
Baptist Union Subs	844	-	844	841	-	841
Interest on pension deficit	1,137	-	1,137	304	-	304
Other expenditure	6,669	-	6,669	3,872	-	3,872
Legal and professional	-	1,566	1,566	-	1,957	1,957
Accountancy & IE	-	4,020	4,020	-	4,260	4,260
Bank Charges	-	350	350	-	279	279
Software and other subscriptions	-	1,325	1,325	-	1,032	1,032
Payroll Fees	-	1,118	1,118	-	1,142	1,142
	<u>20,722</u>	<u>8,379</u>	<u>29,101</u>	<u>20,055</u>	<u>8,670</u>	<u>28,725</u>
<u>Analysed between</u>						
Charitable activities	<u>20,722</u>	<u>8,379</u>	<u>29,101</u>	<u>20,055</u>	<u>8,670</u>	<u>28,725</u>

### 10 Trustees

Trustee Rev'd Dr C Norris was paid a salary of £37,271 (2021: £36,250) and benefitted from employer pension contributions totalling £6,415 (2021: £6,389) for his work as the Regional Ministry Team Leader. The authority to employee Trustees is contained within the Charity's governing document.

During the year five Trustees were reimbursed a total of £1,215 for travel and other expenses (2021: five Trustees were reimbursed a total of £1,005).

# THE SOUTHERN COUNTIES BAPTIST ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

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### 11 Employees

#### Number of employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
Full time Regional Ministers	3	2
Part time Regional Ministers	2	1
Part time Administrator	-	1
Full time Administrator	1	-
Part time Support Staff (Admin Assistants)	1	1
Dorset Missional Listener	2	2
Pioneer Missioner	1	1
	<hr/>	<hr/>
	10	8
	<hr/> <hr/>	<hr/> <hr/>

#### Employment costs

	2022 £	2021 £
Wages and salaries	201,209	208,172
Social security costs	11,872	12,464
Other pension costs	15,198	27,172
Housing costs	55,254	49,622
	<hr/>	<hr/>
	283,533	297,430
	<hr/> <hr/>	<hr/> <hr/>

There were no employees whose annual remuneration was £60,000 or more.

### 12 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

# THE SOUTHERN COUNTIES BAPTIST ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

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### 13 Property, plant and equipment

	<b>Freehold land and buildings £</b>
<b>Cost</b>	
At 1 January 2022	809,251
Additions	501,652
	<hr/>
At 31 December 2022	1,310,903
	<hr/>
<b>Depreciation and impairment</b>	
At 1 January 2022	13,487
Depreciation charged in the year	7,283
	<hr/>
At 31 December 2022	20,770
	<hr/>
<b>Carrying amount</b>	
At 31 December 2022	1,290,133
	<hr/> <hr/>
At 31 December 2021	795,763
	<hr/> <hr/>

### 14 Fixed asset investments

	<b>Baptist Insurance Co PLC £</b>
<b>Cost or valuation</b>	
At 1 January 2022 & 31 December 2022	12,020
	<hr/>
<b>Carrying amount</b>	
At 31 December 2022	12,020
	<hr/> <hr/>
At 31 December 2021	12,020
	<hr/> <hr/>

There are no Investments held outside the UK.

The equity investment relates to 2,404 ordinary £5 shares held in Baptist Insurance Company PLC (registered company number 00083597), a public company limited by shares. As these shares are not actively traded through Stock Markets, no Market Value can be obtained, resulting in the shares being valued at original cost.

# THE SOUTHERN COUNTIES BAPTIST ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 15 Trade and other receivables

	2022	2021
	£	£
<b>Amounts falling due within one year:</b>		
Loans to churches	26,462	31,000
Prepayments and accrued income	2,721	3,043
	<u>29,183</u>	<u>34,043</u>
	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Amounts falling due after more than one year:</b>		
Loans to churches	184,827	164,010
	<u>214,010</u>	<u>198,053</u>
<b>Total debtors</b>	<u>214,010</u>	<u>198,053</u>

As at 31 December 2022 total loans to churches amounted to £211,289 (2021: £195,010). New loans worth £43,550 were advanced to churches during the year (2021: £65,000) and repayments of loans during the year amounted to £27,271 (2021: £48,990)

### 16 Current liabilities

	2022	2021
	£	£
	<b>Notes</b>	
Bank overdrafts	515	-
Other taxation and social security	-	7,591
Deferred income	5,795	4,485
Other payables	36,542	-
Accruals and deferred income	4,200	4,200
	<u>47,052</u>	<u>16,276</u>

### 17 Non-current liabilities

	2022	2021
	£	£
Borrowings	50,000	50,000
	<u>50,000</u>	<u>50,000</u>

### 18 Provisions for liabilities

	2022	2021
	£	£
	<b>Notes</b>	
Retirement benefit obligations	-	61,098
	<u>-</u>	<u>61,098</u>

# THE SOUTHERN COUNTIES BAPTIST ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

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### 19 Deferred income

	2022 £	2021 £
Other deferred income	5,795	4,485
	<u>5,795</u>	<u>4,485</u>

Deferred income is included in the financial statements as follows:

	2022 £	2021 £
Deferred income is included within:		
Current liabilities	5,795	4,485
	<u>5,795</u>	<u>4,485</u>
Movements in the year:		
Deferred income at 1 January 2022	4,485	-
Released from previous periods	(4,485)	-
Resources deferred in the year	5,795	4,485
	<u>5,795</u>	<u>4,485</u>
Deferred income at 31 December 2022	5,795	4,485
	<u>5,795</u>	<u>4,485</u>

Deferred income relates to subscriptions received for the 2023 Minister and Leaders Conference prior to the balance sheet date.

### 20 Retirement benefit schemes

#### Defined contribution schemes

The Charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the Charity in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £15,198 (2021 - £27,172).

# THE SOUTHERN COUNTIES BAPTIST ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

#### 20 Retirement benefit schemes (Continued)

##### Defined benefit schemes

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

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

From January 2012, pension provision is being made through the Defined Contribution (DC) Plan within the Scheme. In general, members pay 8% of their Pensionable Income and employers pay 6% of members' Pensionable Income into individual pension accounts, which are operated and managed on behalf of the Pension Trustee by Broadstone Corporate Benefits Ltd. In addition, the employer pays a further 4% of Pensionable Income to cover Death in Service Benefits, administration costs, and an associated insurance policy which provides income protection for Scheme members if they are unable to work due to long-term incapacity. This income protection policy has been insured by the Baptist Union of Great Britain with Aviva Limited. Members of the Basic Section pay reduced contributions of 5% of Pensionable Income, and their employers also pay a total of 5%.

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

##### Valuation

A formal valuation of the DB Plan as at 31 December 2019 was carried out by a professionally qualified Actuary using the Projected Unit Method. At the valuation date the market value of the DB Plan assets was £298 million, whilst the level of assets needed to pay benefits was £316m, giving a deficit of £18m (equivalent to a past service funding level of 94%). The Association and the other participating employers in the DB Plan are collectively responsible for funding this deficit.

The key financial assumptions underlying the valuations were as follows:

Type of assumption	% pa
RPI price inflation assumption	3.20
CPI price inflation assumption	2.70
Minimum Pensionable Income Increase Adjustment (above CPI)	0.50
<b>Assumed investment returns</b>	
Pre-retirement (gilt yield plus 1.75% pa)	2.95
Post retirement (including benefits matched by the insurance policy) (gilt yield plus 0.5% pa)	1.70
Minimum Pensionable Income increases (CPI plus 0.5%)	3.20
<b>Deferred pension increases (based on RPI)</b>	
Pre April 2009	3.20
Post April 2009	2.50
<b>Pension increases</b>	
Based on CPI with an annual floor of 0% and annual cap of 5%	2.70

# THE SOUTHERN COUNTIES BAPTIST ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

#### 20 Retirement benefit schemes (Continued)

Mortality is assumed in accordance with 80% of the S3NA standard mortality table. Future improvements projected from 2013 in line with the "CMI 2019" projection with a long-term rate of improvement of 1.75% p.a. for males and 1.5% p.a. for females with the core smoothing parameter and with additional initial mortality improvement factor A=0.5%.

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

#### Recovery Plan

In addition to the contributions to the DC Plan set out above, where a valuation of the DB Plan reveals a deficit the Trustee and the Council agree to a rate of deficiency contributions from churches and other employers involved in the DB Plan. Following the 2019 valuation a Recovery Plan was signed in September 2020 under which deficiency contributions are payable until June 2026. These contributions were broadly based on each employer's membership at 31 December 2014 and increase annually in line with increases to Minimum Pensionable Income as defined in the Rules.

On 30th June 2022 the Baptist Pension Scheme signed an agreement with the insurance company Just Group ("Just") to secure DB Plan members' pension benefits. Just are now providing financial backing for all pensions provided through the Scheme's DB Plan and following this transaction, the Scheme no longer has a shortfall. An updated Recovery plan was then signed in August 2022 under which recovery contributions from each participating employer in the DB Plan reduced to £1 per month from August 2022.

#### Movement in Balance Sheet liability

This liability represents the present value of the deficit contributions agreed as at the accounting date and has been valued using the following assumptions set by reference to the duration of the deficit recovery payments:

#### Key assumptions

	2022	2021
	%	%
Discount rate	5.7	2.0
Future increases to Minimum Pensionable Income	3.3	4.1

#### Amounts recognised in the income statement:

	2022	2021
	£	£
Net interest on defined benefit liability/(asset)	1,137	304

The amounts included in the statement of financial position arising from the Charity's obligations in respect of defined benefit plans are as follows:

	2022	2021
	£	£
Present value of defined benefit obligations	-	61,098
Deficit in scheme	-	61,098

# THE SOUTHERN COUNTIES BAPTIST ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

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### 20 Retirement benefit schemes (Continued)

Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability. The movement in the provision is set out in the table below.

Movements in the present value of defined benefit obligations:

	<b>2022</b>
	<b>£</b>
Liabilities at 1 January 2022	61,098
Plan introductions, changes, curtailments and settlements	(53,765)
Contributions from scheme members	(8,470)
Interest cost	1,137
	<hr/>
At 31 December 2022	-
	<hr/> <hr/>

# THE SOUTHERN COUNTIES BAPTIST ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

#### 21 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds				Balance at 31 December 2022
	Balance at 1 January 2022	Incoming resources	Resources expended	Transfers	
	£	£	£	£	£
Confidential Fund	-	190	(500)	310	-
Church of the Year	3,764	3,962	(4,264)	-	3,462
Pioneer Mission Fund	-	21,968	(21,968)	-	-
Hill Street, Poole Property	301,542	-	(1,986)	-	299,556
	<u>305,306</u>	<u>26,120</u>	<u>(28,718)</u>	<u>310</u>	<u>303,018</u>

#### Movements for the year ended 31 December 2021

	Movement in funds				Balance at 31 December 2021
	Balance at 1 January 2021	Incoming resources	Resources expended	Transfers	
	£	£	£	£	£
Church of the Year	1,253	2,511	-	-	3,764
DFES Funds for Youth Work	1,014	-	(1,014)	-	-
Pioneer Mission Fund	-	30,000	(64,291)	34,291	-
Hill Street, Poole Property	243,528	-	(1,986)	60,000	301,542
	<u>245,795</u>	<u>32,511</u>	<u>(67,291)</u>	<u>94,291</u>	<u>305,306</u>

**Church of the Year Fund** is to receive and distribute gifts received from churches for the annually nominated Church of the Year within the association.

**DFES Grants** is to be used for the training of Youth Workers. (Residual monies given by DFES between 2005 and 2008). A proportion of the wages of Claire Hooper were allocated to this fund as she is involved in supporting youth workers. The fund is now closed.

**Pioneer Mission** is a fund designated to support new and exciting ways of mission across the association. In conjunction with the appointment of a regional minister.

**Hill Street, Poole Property** represents the net book value less borrowings (£349,556 less £50,000) of a property passed to SCBA when the Church located at Hill Street, Poole, Dorset closed. The Church directed that the property should be used to facilitate pioneer mission in Hamworthy and thus has restricted use. The property is used to house a mission family currently undertaking this work.

# THE SOUTHERN COUNTIES BAPTIST ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

#### 22 General and Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 1 January 2021 £	Movement in funds			Balance at 1 January 2022 £	Movement in funds			Balance at 31 December 2022 £	
		Incoming resources £	Resources expended £	Transfers Revaluations, gains and losses £		Incoming resources £	Resources expended £	Transfers Revaluations, gains and losses £		
<b>General Funds</b>										
General Fund	933,566	847,781	(364,894)	(68,757)	1,367,925	405,224	(462,560)	(38,266)	53,765	1,326,088
Investment in Baptist Insurance Company	12,020	-	-	-	-	-	-	-	-	-
Loan Funds (including Alden Memorial)	636,215	-	-	-	636,215	-	-	-	-	636,215
	<u>1,581,801</u>	<u>847,781</u>	<u>(364,894)</u>	<u>(68,757)</u>	<u>2,004,140</u>	<u>405,224</u>	<u>(462,560)</u>	<u>(38,266)</u>	<u>53,765</u>	<u>1,962,303</u>
<b>Designated Funds</b>										
Education & Sabbatical Grants	19,578	-	-	-	19,578	-	(1,700)	-	-	17,878
Abraham Trust (Confidential)	11,020	180	-	-	11,200	-	-	-	-	11,200
Pension Fund Debt Reserve	71,916	-	-	-	71,916	-	-	-	-	71,916
Pioneer Mission Fund	25,534	-	-	(25,534)	-	-	(37,956)	37,956	-	-
	<u>128,048</u>	<u>180</u>	<u>-</u>	<u>(25,534)</u>	<u>102,694</u>	<u>-</u>	<u>(39,656)</u>	<u>37,956</u>	<u>-</u>	<u>100,994</u>
<b>Total</b>	<u><u>1,709,849</u></u>	<u><u>847,961</u></u>	<u><u>(364,894)</u></u>	<u><u>(94,291)</u></u>	<u><u>2,106,834</u></u>	<u><u>405,224</u></u>	<u><u>(502,216)</u></u>	<u><u>(310)</u></u>	<u><u>53,765</u></u>	<u><u>2,063,297</u></u>

# THE SOUTHERN COUNTIES BAPTIST ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

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#### 22 General and Designated funds (Continued)

**General Funds** are held to support ongoing activities of the company.

**Loan Funds** are held to enable loans to be made to member churches to support projects, typically building projects.

**Abraham Trust / Confidential Fund** is to be used to support those in need in churches which were part of the former OEGBA.

**Educational and Sabbatical Grants Fund** represents amounts set aside to support individuals from member churches through sabbaticals and participation in other educational opportunities relating to Christian service or ministry.

**Pioneer Mission** is a fund designated to support new and exciting ways of mission across the association. In conjunction with the appointment of a regional minister. Some restricted funds were received for this work in the year and so the movement on the fund was moved and shown as restricted. Monies assigned by the Trustees to the project held in this fund were transferred to the restricted fund to cover the deficit in the year.

# THE SOUTHERN COUNTIES BAPTIST ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 23 Analysis of net assets between funds

	Unrestricted funds 2022 £	Designated funds 2022 £	Restricted funds 2022 £	Total 2022 £
Fund balances are represented by:				
Property, plant and equipment	940,577	-	349,556	1,290,133
Investments	12,020	-	-	12,020
Current assets/(liabilities)	1,009,706	100,994	3,462	1,114,162
Long term liabilities	-	-	(50,000)	(50,000)
	<u>1,962,303</u>	<u>100,994</u>	<u>303,018</u>	<u>2,366,315</u>

### Analysis as at year ended 31 December 2021

	Unrestricted funds 2021 £	Designated funds 2021 £	Restricted funds 2021 £	Total 2021 £
Fund balances are represented by:				
Property, plant and equipment	444,221	-	351,542	795,763
Investments	12,020	-	-	12,020
Current assets/(liabilities)	1,608,997	102,694	3,764	1,715,455
Long term liabilities	-	-	(50,000)	(50,000)
Provisions and pensions	(61,098)	-	-	(61,098)
	<u>2,004,140</u>	<u>102,694</u>	<u>305,306</u>	<u>2,412,140</u>

### 24 Home Mission Giving

The arrangements for making Home Mission Gifts from churches to the Baptist Union were changed during 2005. A new joint account, SCBA/Baptist Union, was set up so that churches and the SCBA can transfer their gifts to this account, but only the Baptist Union has authority to withdraw funds. As the SCBA is not beneficially entitled to retain any of the monies given by the churches for Home Mission, these gifts are transferred directly to the Baptist Union and do not need to be included in the SCBA's Statement of Financial Activities.

Giving to Home Mission by churches and groups within the SCBA area was £337,738 (2021: £345,987).

### 25 Related party transactions

There were no disclosable related party transactions during the year (2021 - none).