

**REGISTERED COMPANY NUMBER: 04336086 (England and Wales)**  
**REGISTERED CHARITY NUMBER: 1102735**

**Report of the Trustees and  
Financial Statements  
for the Year Ended 31 December 2019  
for  
South Wales Baptist Association (BUGB)**

**Contents of the Financial Statements  
for the Year Ended 31 December 2019**

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## **South Wales Baptist Association (BUGB)**

### **Report of the Trustees for the Year Ended 31 December 2019**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2019. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

#### **OBJECTIVES AND ACTIVITIES**

##### **Objectives and aims**

The charity's objectives are the advancement of the Christian religion 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.

##### **Public benefit**

In the course of their management of the Association, the trustees have regard for the public benefit provided by the Association's activities, and this is a feature both of the Association's work in support of its member churches (independent charities), and of its own direct activities, as follows:

The Association operates by providing support to member churches as they seek to work in their own communities. This support includes advice and guidance to ministers and leaders; mission consultations; assistance, advice and training in safeguarding children and adults as well as practical and financial assistance through loans and grants as appropriate. It is the intention of the Association to help enable churches to respond to their calling and fulfill their public benefit through their normal church activities and the provision of facilities to be used by the wider community as well as the advancement of the Christian faith. The Association acts directly in a number of areas including the selection of individuals to train for ministry, the oversight of newly accredited ministers, arranging training and conferences for ministers and church leaders, involvement in the management of Chaplaincy services at the University of South Wales and engaging at a number of levels with the wider community on behalf of Baptists.

#### **ACHIEVEMENT AND PERFORMANCE**

##### **Charitable Activities**

There were a number of staff changes during the year.

Mrs K Kaneen became Association Administrator on 1st January 2019 and served throughout the year. Rev Carl Gidney resigned from his role as Regional Minister on 31st March 2019 to become minister of Tredegarville International Baptist Church. Rev Nick Bradshaw resigned as Regional Minister and Team leader on 28th Feb 2019 but continued to undertake aspects of the work of the association on a part time basis for the remainder of the year, finally finishing on 31st January 2020. Rev Susan Stevenson took over as Team leader before retiring on 30th September 2019. Rev Emma Mohr started work as a Regional Minister on 1st September 2019. Rev Tim Daniel remained in post and acted as Team Leader from 1st October 2019 for the remainder of the year.

The Association continued to work closely with the West and South Baptist Partnership, made up of four Associations, throughout the year. Two Partnership residential ministerial recognition conferences were held for candidates for ministry to explore their calling. The grants process continued with some further fine-tuning and the Partnership continued to develop training for the Mentoring program for Newly Accredited Ministers.

The Association continued to work closely with the Baptist Union of Wales (BUW). The two key events are the annual meetings known as 'Momentum' and the ministers Conference in Saundersfoot. The Association held an Association Day of Celebration, Teaching and Information which included the AGM of the Association. Attendance was good with excellent feedback. In addition, a 24-hour gathering was held for Newly accredited Ministers, together with various training days.

##### **Supporting Churches**

Regular 'Updates' and 'E-News' were the primary source of information from the Association office to churches, our college, our ministers and other interested parties. These provided information about local and national events, and enabled churches to share information about their local events with others across the Association.

Safeguarding training covering the Baptist Union of Great Britain's 'Excellence in Safeguarding' Levels 1, 2 and 3 took place on 16 days during the year. The training covers basic safeguarding principles for everyone in churches (Level 1 DVD); general safeguarding principles and practices for those working with children and adults at risk (Level 2); and more detailed issues for those in church leadership (Level 3). The courses were attended by 315 people from 47 churches. 203 of those people attended the full day course for leaders (Levels 1, 2, and 3), of whom 25 were ministers, 108 were managing trustees and 16 were their church's Designated Person for Safeguarding. Also attending were 2 university chaplains, a youth pastor and an army scripture reader. The numbers were slightly down on 2018 which was a record year.

Patricia Wiltshire, the Safeguarding Office, collated the association's information and figures to be included in the Baptist Union's responses to Independent Inquiry into Child Sexual Abuse.

There were no serious safeguarding incidents to be reported in 2019.

## **South Wales Baptist Association (BUGB)**

### **Report of the Trustees for the Year Ended 31 December 2019**

#### **ACHIEVEMENT AND PERFORMANCE**

##### **Home Mission**

Churches contributed £167,815 to Home Mission (the Baptist family purse). This figure is £2,099 less than in 2018 but nonetheless the per capita amount in 2019 is slightly increased compared with the previous year.

##### **Home Mission Grants**

The Association awarded a number of Home Mission grants during 2019 amounting to £68,639.50. These included Mission through Ministry grants to Dinas Powys BC, Cornerstone Church Rhondda, Jerusalem BC Pentrebach and Kensington BC Brecon; Special Ministry grants were awarded to Mission workers in the Lower Cynon Valley and Monmouthshire, to Llanfair Ecumenical Church, Penrhys and to the community chaplain in Bonymaen, Swansea; Two chaplaincies benefited from HM grants i.e. The University of South Wales and Sports Chaplaincy UK for developmental work in Wales through Steve Jones. In addition 6 Mission Project Grants of up to £1,500 were awarded to various churches.

##### **Supporting Ministers and Church Leaders**

The Association provided a variety of means whereby Ministers and Church leaders were supported and encouraged in their roles:

- Ministers Fellowship groups continued to meet in Newport, Cardiff and Briton Ferry and Abergavenny.
- The Ministers Conference was held at Saundersfoot with Les Isaac as the main speaker.
- The Newly Accredited Ministers' (NAMs) programme brought together ministers from both SWBA and the Baptist Union of Wales for theological reflection and a retreat.
- The Association continued to work closely with the West and South Baptist Partnership, made up of four Associations, throughout the year. Two Partnership Residential Ministerial Recognition conferences were held for candidates for ministry to explore their calling. The Partnership continued to develop training for the Mentoring program for Newly Accredited Ministers and also to explore processes for Regionally Recognised ministry. A Partnership retreat was held at Lee Abbey for the support and encouragement of the regional teams.
- The Partnership Ministerial Recognition Conference (MRC) commended Carl Gidney for enrolment as a Newly Accredited Minister. Neale Bridges, Jonathan Davis and Ian Thomas all completed their formation and training and were enrolled as accredited ministers.
- The Ministerial Recognition Committee commended Karen Powell for formation via the Pathways course as a Nationally Recognised (formerly Lay) Pastor.
- Pastoral support was offered in a number of situations.
- Advice and support were given to a number of churches facing financial difficulties, conflict or safeguarding issues.
- A tea was hosted for retired ministers and their partners.

##### **The following settlements took place:**

David Collins (unaccredited) became lay pastor at Moriah, Abercynon.  
Gareth Lloyd (unaccredited) became Minister at Rhiwbina.  
David Chilcott (unaccredited) retired from office as lay pastor at Troedryhiw.  
John White (unaccredited) retired from Sketty, Swansea.  
Paul Mort (unaccredited) became Minister at Sketty, Swansea.  
Andrew Davies resigned as Minister at Mumbles, Swansea.  
Sue Barker retired from Zoar, Pandy.  
Pete Roberts (unaccredited) became Minister at Temple, Pontypridd.  
Lesley Lawrence from Albany Rd, Cardiff to Church of the Resurrection, Cardiff.  
Doug Atherton resigned from Moriah Abercynon and Providence, Mountain Ash.  
Roger Grafton from Tabernacle, Penarth to Army Chaplaincy.  
Ian Patterson became Youth Pastor at Pantygwydyr, Swansea.  
Phil Lewis from Bethlehem Thomastown to Bwlch Y Sarnau (BUW).  
Jon Linfoth, SWBC Student to Caldicot.  
Carol Sobel (unaccredited) became Minister at Raglan (part time).  
Michael Leaves resigned from Bethenay, West Cross Swansea.  
Richard Bellingham from Heads of the Valleys Partnership (BUW) to Bromley Common.  
Peter Stevenson retired from Principal at South Wales Baptist College.  
Susan Stevenson retired from Regional Minister Team Leader SWBA.  
Matt Carter from Hastings became Minister at Pantygwydyr, Swansea.  
Rob Saunders from Coleford to Welshpool (BUW).  
Gary Douglas (unaccredited) resigned from Elkington Road, Burry Port.  
Abraham Debbarma (unaccredited) resigned from Alfred Tilly Memorial, Cardiff.  
Doug Atherton changed responsibility from Cynon Valley Missioner to Minister at Abercynon and Providence, Mountain Ash.  
Carl Gidney from Regional Minister SWBA to Minister at Tredegarville, Cardiff.  
Ed Kaneen, Tutor at SWBC was appointed Co-Principal, SWBC.  
Rosa Hunt, Salem Tonteg, was appointed Co-Principal, SWBC (part time with Salem).  
Nick Bradshaw phased out of Regional Ministry to Minister at Stanwell Road, Penarth and Chaplain at Rock UK Summit Centre.  
Phylip Rees from Tredegarville, Cardiff to Duckpool Road, Newport.

## **South Wales Baptist Association (BUGB)**

### **Report of the Trustees for the Year Ended 31 December 2019**

#### **ACHIEVEMENT AND PERFORMANCE**

Harry Place from Dorchester to Magor.

Michelle Romaniw to Chaplin at University of South Wales.

John Rogers from Pantygydyr, Swansea to Forest Gate, Blackpool.

Andrew McLaughlin (unaccredited) took on Beulah Cilfynydd alongside existing pastorate at Bethel, Hawthorn.

#### **SWBA Appointments**

Susan Stevenson took on the responsibility of Team Leader from 1st March 2019.

Tim Daniel took on the responsibility of Team Leader on 1st October.

Emma Mohr was appointed as part time Regional Minister commencing September 2019.

Hayley Young was appointed as part time Regional Minister to commence on 1st Jan 2020.

Mark Fairweather-Tall was appointed as Regional Minister Team Leader to commence on 1st Feb 2020.

Karen Kaneen became Association Administrator in January 2019.

#### **Council of Churches Meetings**

Council Meetings were held on 14th June at Trinity St David College in Carmarthen (during Momentum). An Association Day which incorporated the Annual General Meeting was held on 28th September at Bethel Baptist Church, Pontyclun.

#### **BMS Council of Reference**

There were 2 meetings of the BMS Council of Reference at which SWBA was represented by Laura Watkins and Susan Stevenson.

#### **Property**

The manse in Ely is still let through an agency until such time as there is need for it either to be used as a manse again or it is sold in order to purchase elsewhere. There were difficulties with the letting agent in 2019 and legal proceedings were started. A court judgement required the agent to pay £4,500 but the payment is still awaited. In addition, the tenant left the property in the autumn owing £1,500. The association retained the deposit of £850 against the debt.

The property in Aberdare was bought to house the Mission Worker in the Lower Cynon Valley. He resigned from the post in 1st September 2019 but will continue to live in the manse in the short term. An assured shorthold tenancy agreement is being drawn up.

#### **FINANCIAL REVIEW**

##### **Financial position**

This is the eighteenth year of the Association and the charity showed a surplus of £103,568. There was a surplus on unrestricted reserves of £99,280 before transfers between funds and a surplus on restricted reserves of £4,288. The surplus on unrestricted reserves included proceeds from the sale of Bethabara church of £63,810.

##### **Principal funding sources**

The principal funding sources of the charity had been by way of grant from the Baptist Union of Great Britain made up of a Core Funding and a lump sum from the Home Mission fund based on a number of factors including the number of churches, the relative economic prosperity of the region and the Associations giving to Home Mission.

##### **Investment policy and objectives**

Aside from the restricted funds and retaining a prudent amount in reserves each year, most of the charity's funds are to be spent in the short to medium term and there are some funds for long term investment. The Trustees have the power to invest in such assets as they see fit, monies not immediately required for the furtherance of its objects.

##### **Reserves policy**

The reserves of the Association at the end of the year was £788,846. Of the reserves, £456,958 was restricted and £331,888 was unrestricted. Included in unrestricted funds are £184,294 invested in fixed assets and £19,737 in fixed asset investments. This leaves a surplus of £127,857.

The unrestricted funds not designated elsewhere represent the free reserves of the Association. The free reserves are needed to meet the working requirements of the charity and the Trustees consider six months operating costs should be maintained. The trustees consider this level of free reserves satisfactory.

The level of reserves had increased in the last few years with proceeds from the sale of churches. However, the majority of these monies received are subject to restrictions and therefore can only be used by the Association for those specific purposes.

#### **FUTURE PLANS**

The Association plans continuing the activities outlined above in the forthcoming years subject to satisfactory funding arrangements and the drawdown of free reserves held by the Association. Expenditure will continue from the restricted funds in accordance with the terms associated with the restriction.

## **South Wales Baptist Association (BUGB)**

### **Report of the Trustees for the Year Ended 31 December 2019**

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **Governing document**

The Association is a charitable company limited by guarantee that was incorporated on 7 December 2001. The company was established under a Memorandum of Association that established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £10 towards any shortfall.

##### **Recruitment and appointment of new trustees**

The directors of the company are also charity trustees for the purpose of charity law and under the company's Articles. In accordance with the Articles of Association all Trustees will serve for a period of three years. Of the Trustees appointed at the Annual General Meeting, at least one half of those elected shall be lay persons. Any person so appointed shall be eligible for re-appointment unless that person has immediately already served two consecutive three-year periods.

##### **Organisational structure**

The Association is governed by the Board of Trustees (Directors), which is made up of eleven members who meet every two months with the Regional Ministers and Association Administrator. They are responsible for the strategic direction of the charity and the reporting to a Council of Churches. The Council of Churches meetings take place three times a year.

##### **Induction and training of new trustees**

Training for Trustees was provided in February 2015 and the Company Secretary keeps Trustees informed of relevant developments. New Trustees are provided with essential information. Further training will be offered in future as the membership of the board changes.

Various Charity Commission publications are made available together with the Memorandum and Articles of Association and the latest financial statements.

#### **REFERENCE AND ADMINISTRATIVE DETAILS**

##### **Registered Company number**

04336086 (England and Wales)

##### **Registered Charity number**

1102735

##### **Registered office**

54 Richmond Road  
Roath  
Cardiff  
CF24 3UR

##### **Trustees**

Miss P M Wiltshire Retired Social Worker  
A V Naudi Director  
Rev N C Bradshaw Charity Co-Ordinator (resigned 28.2.19)  
Mrs J F Davies Lecturer (resigned 28.1.19)  
Rev E N Kaneen College Tutor (resigned 8.7.19)  
G J Miles Accountant  
Rev P I Taylor Baptist Minister  
Rev R C Francis Baptist Minister  
Rev G Davidson Baptist Minister  
Mrs R Vincent-Newson Social Worker  
Rev Dr G J Watts Reverend

##### **Comment**

The South Wales Baptist College:

- 1) The college is a member of the South Wales Baptist Association, which rents offices in the college building.
- 2) Two trustees, Rev'd Nick Bradshaw and Mr Gerwyn Miles, were also trustees of the college during the period under review.
- 3) One trustee, Rev'd Ed Kaneen, is employed by the college.

##### **Auditors**

Griffiths Green Arnold  
Chartered Accountants & Statutory Auditors  
11 New Street  
Pontnewydd  
Cwmbran  
NP44 1EE

## **South Wales Baptist Association (BUGB)**

### **Report of the Trustees for the Year Ended 31 December 2019**

#### **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The trustees (who are also the directors of South Wales Baptist Association (BUGB) for the purposes of company law) are responsible for preparing the Report of the Trustees 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

#### **AUDITORS**

The auditors, Griffiths Green Arnold, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on ..... and signed on its behalf by:



.....  
A V Naudi - Trustee

## **Report of the Independent Auditors to the Members of South Wales Baptist Association (BUGB)**

### **Opinion**

We have audited the financial statements of South Wales Baptist Association (BUGB) (the 'charitable company') for the year ended 31 December 2019 which comprise the Statement of Financial Activities, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

## **Report of the Independent Auditors to the Members of South Wales Baptist Association (BUGB)**

### **Responsibilities of trustees**

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

### **Our responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Independent Auditors.

### **Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

G Francis (Senior Statutory Auditor)  
for and on behalf of Griffiths Green Arnold  
Chartered Accountants & Statutory Auditors  
11 New Street  
Pontnewydd  
Cwmbran  
NP44 1EE

Date: .....



**South Wales Baptist Association (BUGB)**

**Statement of Financial Activities  
for the Year Ended 31 December 2019**

	Notes	Unrestricted funds £	Restricted funds £	31.12.18 Total funds £	31.12.18 Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>					
Donations and legacies		66,011	-	66,011	152
<b>Charitable activities</b>					
Subscriptions		22,310	-	22,310	16,966
Grants receivable		232,819	-	232,819	230,324
Other incoming resources		4,944	-	4,944	4,581
Investment income	2	7,286	3,301	10,587	10,039
<b>Total</b>		333,370	3,301	336,671	262,062
<b>EXPENDITURE ON Charitable activities</b>					
Ministry		104,069	-	104,069	140,469
Mission		93,291	-	93,291	77,655
Establishment		56,785	-	56,785	46,457
Governance		4,422	-	4,422	3,851
Legal costs		2,770	-	2,770	-
Manses		6,444	-	6,444	5,069
Other		(32,547)	-	(32,547)	(38,020)
<b>Total</b>		235,234	-	235,234	235,481
Net gains/(losses) on investments		1,144	987	2,131	(2,591)
<b>NET INCOME</b>		99,280	4,288	103,568	23,990
<b>Transfers between funds</b>	10	5,000	(5,000)	-	-
<b>Net movement in funds</b>		104,280	(712)	103,568	23,990
<b>RECONCILIATION OF FUNDS</b>					
<b>Total funds brought forward</b>		227,608	457,670	685,278	661,288
<b>TOTAL FUNDS CARRIED FORWARD</b>		331,888	456,958	788,846	685,278

# South Wales Baptist Association (BUGB)

## Balance Sheet 31 December 2019

	Notes	Unrestricted funds £	Restricted funds £	31.12.19 Total funds £	31.12.18 Total funds £
<b>FIXED ASSETS</b>					
Tangible assets	6	184,294	-	184,294	185,430
<b>Investments</b>					
Investments	7	19,737	208,643	228,380	223,404
Investment property	8	-	114,577	114,577	114,577
		204,031	323,220	527,251	523,411
<b>CURRENT ASSETS</b>					
Debtors		3,778	-	3,778	4,078
Cash at bank and in hand		228,954	133,738	362,692	302,688
		232,732	133,738	366,470	306,766
<b>CREDITORS</b>					
Amounts falling due within one year	9	(6,375)	-	(6,375)	(1,899)
<b>NET CURRENT ASSETS</b>		226,357	133,738	360,095	304,867
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		430,388	456,958	887,346	828,278
<b>PENSION LIABILITY</b>	11	(98,500)	-	(98,500)	(143,000)
<b>NET ASSETS</b>		331,888	456,958	788,846	685,278
<b>FUNDS</b>	10				
Unrestricted funds				331,888	227,608
Restricted funds				456,958	457,670
<b>TOTAL FUNDS</b>				788,846	685,278

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

The financial statements were approved by the Board of Trustees on 3<sup>rd</sup> April 2020 and were signed on its behalf by:



Peter I Taylor – Moderator&Trustee



A V Naudi - Trustee

## **South Wales Baptist Association (BUGB)**

### **Notes to the Financial Statements for the Year Ended 31 December 2019**

#### **1 ACCOUNTING POLICIES**

##### **Basis of preparing the financial statements**

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

##### **Income**

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Donations and voluntary income are accounted for gross when received.

Income from grants is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred. Grants received for specific purposes are treated as restricted funds.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank or building society.

##### **Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

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

##### **Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery - 50% on cost and 33% on cost

##### **Investment property**

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in fair value is recognised in the Statement of Financial Activities.

##### **Taxation**

The charity is exempt from corporation tax on its charitable activities.

##### **Fund accounting**

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

##### **Pension costs and other post-retirement benefits**

The charity participates in a defined contribution pension scheme for certain members of staff. The assets of the scheme are held separately from those of the charity. The contributions are charged to the income and expenditure account.

The charity participated in a Defined Benefit Pension Scheme until 31 December 2011 the payments of which are charged to the Statement of Financial Activities. Deficiency payments are also charged to the Statement of Financial Activities. From 1 January 2012 the scheme was replaced by a Defined Contribution Pension Scheme the payments of which are charged to the Statement of Financial Activities when incurred.

## South Wales Baptist Association (BUGB)

### Notes to the Financial Statements - continued for the Year Ended 31 December 2019

#### 2 INVESTMENT INCOME

	31.12.19 £	31.12.18 £
Rents received	5,801	5,137
Deposit account interest	4,786	4,902
	10,587	10,039

#### 3 NET INCOME/(EXPENDITURE)

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

	31.12.19 £	31.12.18 £
The auditing of accounts of any associate of the charity	1,843	1,800
Depreciation - owned assets	2,452	2,537

#### 4 TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2019 nor for the year ended 31 December 2018.

##### Trustees' expenses

There were no trustees' expenses paid for the year ended 31 December 2019 nor for the year ended 31 December 2018.

#### 5 STAFF COSTS

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

	31.12.19	31.12.18
Regional ministers	4	4
Administration	1	1
	5	5

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

#### 6 TANGIBLE FIXED ASSETS

COST	Freehold property £	Plant and Machinery £	Totals £
At 1 January 2019	180,846	46,458	227,304
Additions	-	1,316	1,316
At 31 December 2019	180,846	47,774	228,620
<b>DEPRECIATION</b>			
At 1 January 2019	-	41,874	41,874
Charge for year	-	2,452	2,452
At 31 December 2019	-	44,326	44,326
<b>NET BOOK VALUE</b>			
At 31 December 2019	180,846	3,448	184,294
At 31 December 2018	180,846	4,584	185,430

# South Wales Baptist Association (BUGB)

## Notes to the Financial Statements - continued for the Year Ended 31 December 2019

### 7 FIXED ASSET INVESTMENTS

#### MARKET VALUE

	Listed investments £	Unlisted investments £	Totals £
At 1 January 2019	6,153	217,251	223,404
Additions	-	3,221	3,221
Disposals	-	(376)	(376)
Revaluations	-	2,131	2,131
At 31 December 2019	6,153	222,227	228,380
<b>NET BOOK VALUE</b>			
At 31 December 2019	6,153	222,227	228,380
At 31 December 2018	6,153	217,251	223,404

There were no investment assets outside the UK.

### 8 INVESTMENT PROPERTY

£

#### FAIR VALUE

At 1 January 2019 and 31 December 2019	114,577
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#### NET BOOK VALUE

At 31 December 2019	114,577
At 31 December 2018	114,577

### 9 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.19 £	31.12.18 £
Accruals and deferred income	3,219	1,899
Other creditor	3,156	-
	6,375	1,899

**South Wales Baptist Association (BUGB)**

**Notes to the Financial Statements - continued  
for the Year Ended 31 December 2019**

**10 MOVEMENT IN FUNDS**

<b>Unrestricted funds</b>	At 1.1.19 £	Net movement in funds £	Transfers between funds £	At 31.12.19 £
General fund	227,608	99,280	5,000	331,888
<b>Restricted funds</b>				
Student Fund	600	2	-	602
Ministers Benevolent Funds	57,421	1,997	-	59,418
Ministers Benevolent Funds	2,262	-	-	2,262
Pomeroy Street Funds	7,897	27	-	7,924
Gorseinon Funds	4,608	16	-	4,624
Aberbargoed Funds	25,041	86	-	25,127
Capel Gwilym Funds	679	2	-	681
Llanhilleth Church	241	1	-	242
Manse Funds	145,121	1,814	-	146,935
Llandogo Monmouth Funds	29,704	103	(5,000)	24,807
Alexandra Rd Newport Funds	48,604	168	-	48,772
Pontyclun/Ely Funds	2,531	9	-	2,540
Nash Newport Funds	18,384	63	-	18,447
Ely Manse	114,577	-	-	114,577
	457,670	4,288	(5,000)	456,958
<b>TOTAL FUNDS</b>	685,278	103,568	-	788,846

## South Wales Baptist Association (BUGB)

### Notes to the Financial Statements - continued for the Year Ended 31 December 2019

#### 10 MOVEMENT IN FUNDS - continued

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

##### Unrestricted funds

	Incoming Resources £	Resources expended £	Gains and losses £	Movement in funds £
General fund	333,370	(235,234)	1,144	99,280
<b>Restricted funds</b>				
Student Fund	2	-	-	2
Ministers Benevolent Funds	1,010	-	987	1,997
Pomeroy Street Funds	27	-	-	27
Gorseinon Funds	16	-	-	16
Aberbargoed Funds	86	-	-	86
Capel Gwilym Funds	2	-	-	2
Llanhilleth Church	1	-	-	1
Manse Funds	1,814	-	-	1,814
Llandogo Monmouth Funds	103	-	-	103
Alexandra Road Newport Funds	168	-	-	168
Pontyclun/Ely Funds	9	-	-	9
Nash Newport Funds	63	-	-	63
	3,301	-	987	4,288
<b>TOTAL FUNDS</b>	<b>336,671</b>	<b>(235,234)</b>	<b>2,131</b>	<b>103,568</b>

The General reserve represents the free funds of the Association that are not designated for particular purpose. The fixed assets represent the net book value of tangible fixed assets. The investments represent unrestricted funds held as investments.

The Student fund assists students for ministry from churches within the Association.

The Ministers Benevolent fund, interest on the capital sum provided by the James Pantyfedwen Foundation, is used to assist Ministers and retired Ministers on the accredited list.

The Ministers Benevolent fund is used to assist Ministers and retired Ministers on the accredited list.

The Pomeroy Street fund is used to assist the Association within the Cardiff post code area.

The Gorseinon fund is used for the purpose of items of capital expenditure.

The Moriah Baptist Church Aberbargoed fund and the Capel Gwilym Church Cardiff fund are used for capital purposes.

The Commercial Road Llanhilleth fund is to be made available to Brynithel Community Church when in a position to proceed with a Church building.

The Manse fund is used for the purpose of items of capital expenditure.

The Llandogo Monmouth fund is used for Strategic Mission Initiatives within the Association including small Churches initiatives.

The Alexandra Rd Newport fund is used to provide support and ongoing equipping and training of Ministers and Church leaders in the Association including the appointment of personnel.

**South Wales Baptist Association (BUGB)**

**Notes to the Financial Statements - continued  
for the Year Ended 31 December 2019**

**10 MOVEMENT IN FUNDS - continued**

The Pontyclun/ Ely fund is to be made available for the appointment of a full-time accredited minister at Ely Baptist Church, Cardiff

The Nash Newport fund is to be used for Mission Initiatives within the Association including the appointment of personnel.

The Ely Manse relates to the purchase of a manse to enable mission to take place in the Ely area of Cardiff.

**11 EMPLOYEE BENEFIT OBLIGATIONS**

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).

The Principal and staff tutors 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.

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 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 College and the other employers supporting the DB Plan are collectively responsible for funding this deficit.

The key assumptions underlying the valuation were as follows:

RPI price inflation assumption 3.60%

CPI price inflation assumption 2.85%

Minimum Pensionable Income increases (CPI plus 1.0% pa) 3.85%

Assumed investment returns

- Pre-retirement 5.10%

- Post retirement 3.95%

Deferred pension increases

- Pre April 2009 3.60%

- Post April 2009 2.50%

Pension increases

- Main Scheme pension Pre April 2006 3.40%

- Main Scheme pension Post April 2006 2.30%



## **South Wales Baptist Association (BUGB)**

### **Notes to the Financial Statements - continued for the Year Ended 31 December 2019**

#### **11 EMPLOYEE BENEFIT OBLIGATIONS - continued**

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.

##### **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 colleges and other employers involved in the DB Plan. Under the current Recovery Plan dated 13 April 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 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability.

The current deficiency as notified by the actuaries is £98,500.

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:

#### **12 RELATED PARTY DISCLOSURES**

There were no related party transactions for the year ended 31 December 2019.

# South Wales Baptist Association (BUGB)

## Detailed Statement of Financial Activities for the Year Ended 31 December 2019

### INCOME AND ENDOWMENTS

#### Donations and legacies

	31.12.19 £		31.12.18 £
Proceeds from sale of Churches	63,810	-	
Donations	2,201		152
	66,011		152

#### Investment income

Rents received	5,801		5,137
Deposit account interest	4,786		4,902
	10,587		10,039

#### Charitable activities

Subscriptions	22,310		16,966
Grants	232,819		230,324
Other incoming resources	4,944		4,581
	260,073		251,871
<b>Total incoming resources</b>	<b>336,671</b>		<b>262,062</b>

### EXPENDITURE

#### Charitable activities

Wages	86,294		101,056
Social security	4,880		6,918
Pensions	7,421		10,898
Insurance	2,237		1,745
Telephone	1,362		1,757
Sundries	1,552		108
Maintenance	445		365
Office costs	7,573		5,544
Computer costs	1,462		1,709
Regional conferences (Momentum)	116		502
Ministerial Recognition	47		828
Mission Grants	77,528		70,041
Benevolent Fund	800		1,005
Subscriptions	1,088		2,140
Premises	22,019		19,933
Training	2,980		1,190
Ministers' Conferences	7,641		6,670
Travel/Accommodation	12,562		15,166
Housing Allowances	13,125		18,500
Ministerial support	50		705
Association Day	1,797	-	
Cytun 2019	5,000	-	
Plant and machinery	2,452		2,537
Bank charges	158		393
	260,589		269,710

**South Wales Baptist Association (BUGB)**

**Detailed Statement of Financial Activities  
for the Year Ended 31 December 2019**

<b>Other</b>		31.12.19	31.12.18
		£	£
Expenditure to reduce staff pension deficit		-	(9,969)
Interest cost and change in pension liability		(32,547)	(28,051)
		(32,547)	(38,020)
 <b>Support costs</b>			
<b>Governance costs</b>			
	Auditors' remuneration	1,843	1,800
	Meeting costs	2,579	1,991
	Legal costs	2,770	-
		7,192	3,791
	Total resources expended	235,234	235,481
	 <b>Net income before gains and losses</b>	 101,437	 26,581
 <b>Realised recognised gains and losses</b>			
Realised gains/(losses) on fixed asset investments		2,131	(2,591)
 <b>Net income</b>		 103,568	 23,990