

Report of the Trustees and
Financial Statements
for the Year Ended 31 December 2020
for
South Wales Baptist Association (BUGB)

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

South Wales Baptist Association (BUGB)

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for the Year Ended 31 December 2020**

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South Wales Baptist Association (BUGB)

Report of the Trustees

for the Year Ended 31 December 2020

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 2020. 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 2019).

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 fulfil 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 several staff changes during the year.

Revd Hayley Young started work in January 2020 as a part-time Regional Minister (Mission Enabler). Revd Mark Fairweather-Tall started as full time Regional Minister (Team Leader) in February 2020. In September 2020 we appointed Revd. Naomi Dickerson to be the Renew Wellbeing Advocate.

The Renew Wellbeing role will be for three years costing £32,400 (£10,400 for three years) with expenses to come out of Home Mission Project funds from 2021.

The Association continued to work closely with the West and South Baptist Partnership, made up of four Associations, throughout the year. Two partnership Ministerial Recognition conferences were held for candidates for ministry to explore their calling. The grants Committee met to allocate Home Mission grants.

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. This year both were held online. The Association held an online celebration, teaching and information gathering which included the AGM of the Association. Attendance was good with excellent feedback. In addition, online sessions were held for Newly Accredited Ministers.

Supporting Churches

Regular 'Updates' and 'E-News' were the primary source of information from the Association office to churches, the 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 2 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 53 people from 7 churches. The numbers were significantly down in 2019 due to the coronavirus pandemic.

There were no serious safeguarding incidents to be reported in 2020.

South Wales Baptist Association (BUGB)

Report of the Trustees

for the Year Ended 31 December 2020

ACHIEVEMENT AND PERFORMANCE

Home Mission

Churches contributed £167,815 to Home Mission (the Baptist family purse). This figure is £17,802.85 less than in 2019 but is mostly due to the closure of churches during the pandemic.

Home Mission Grants

The Association awarded a number of Home Mission grants during 2020 amounting to £95,495. These included Mission through Ministry grants to Dinas Powys BC, Jerusalem BC Pentrebach, Church of the Resurrection, York Place BC, and Kensington BC Brecon; Special Ministry grants were awarded to Mission workers in the Lower Cynon Valley and Monmouth Missioner, to Llanfair Ecumenical Church, Penrhys, Pentyrch Street: The Table, The Summit Centre 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, two Mission Project Grants were awarded to Gendros BC and the Who Cares? Mission project.

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, mostly online.
- The Ministers Conference was held online, and the speakers were Andy Percey and Yinka Oyekan.
- The Newly Accredited Ministers' (NAMs) programme brought together ministers from both SWBA and the Baptist Union of Wales for theological reflection.
- The Association continued to work closely with the West and South Baptist Partnership, made up of four Associations, throughout the year. Two Partnership Ministerial Recognition conferences were held for candidates for ministry, to explore their calling.
- The Partnership MRC commended Chris Bullock and Eunjig Yang to commence training for Baptist accreditation. Wayne Adams, Jon Birch, Raf de Lima and Owen James completed their formation and training and were enrolled as fully accredited ministers. Karen Powell became a Nationally Recognised Pastor.
- The Ministerial Recognition Committee commended Andy Ralph for formation as a Nationally Recognised Pastor.
- Pastoral support was offered in several situations.
- Advice and support were given to several churches facing financial difficulties, conflict, or safeguarding issues.

The following settlements took place:

Jon Linforth to Bethany BC, Caldicot
Lee Presley to St Julian's BC, Newport
Pete Roberts to Temple BC, Pontypridd
Mark Stone to Park BC, Merthyr
Hayley Young to Alfred Tilly Memorial BC, Rumney

South Wales Baptist Association (BUGB)

Report of the Trustees

for the Year Ended 31 December 2020

SWBA Appointments

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.

Naomi Dickerson was appointed Renew Wellbeing advocate in September 2020.

Council of Churches Meetings

An Association gathering which incorporated the Annual General Meeting was held online on 12th November 2020.

BMS Council of Reference

The SWBA was represented on the BMS Council of Reference by Laura Watkins and Gareth Wilde.

Property

The manse in Ely was managed by the Association. Improvement works were carried out and new tenants moved in in May 2020.

The property in Aberdare became vacant and was let using My Lettings Limited on 1st October 2020. An assured shorthold tenancy agreement was drawn up.

FINANCIAL REVIEW

Financial position

This is the nineteenth year of the Association, and the charity showed a deficit of £49,394. There was a deficit on unrestricted reserves of £44,618 after transfers between funds and a deficit on restricted reserves of £4,776.

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 several 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 were £739,452. Of the reserves, £452,182 was restricted and £287,270 was unrestricted. Included in unrestricted funds are £184,259 invested in fixed assets and £19,222 in fixed asset investments. This leaves a surplus of £83,789.

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, most 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 2020

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 (resigned 12.11.20)

A V Naudi Director (resigned 12.11.20)

G J Miles Accountant

Rev P I Taylor Baptist Minister

Rev R C Francis Baptist Minister (resigned 30.6.20)

Rev G Davidson Baptist Minister

Mrs R Vincent-Newson Social Worker

Rev Dr G J Watts Baptist Minister

Rev M J Fairweather-Tall Baptist Minister (appointed 11.3.20)

Rev J M Davis Baptist Minister (appointed 12.11.20)

S Ringrose Accountant (appointed 12.11.20)

D L Powell Finance Officer/manager (appointed 12.11.20)

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.

South Wales Baptist Association (BUGB)

Report of the Trustees

for the Year Ended 31 December 2020

REFERENCE AND ADMINISTRATIVE DETAILS

Auditors

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

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:

.....
D L Powell - 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 2020 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 2020 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

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 this gives rise to a material misstatement in the financial statements themselves. 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 during 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 during 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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. 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 2020

	Notes	Unrestricted fund £	Restricted funds £	31.12.20 Total funds £	31.12.19 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies		11,029	-	11,029	66,010
Charitable activities					
Charitable Activities		-	-	-	2,950
Subscriptions		14,508	-	14,508	19,360
Grants receivable		214,999	-	214,999	232,819
Other incoming resources		2,171	-	2,171	4,944
Investment income	2	<u>8,892</u>	<u>3,553</u>	<u>12,445</u>	<u>10,588</u>
Total		251,599	3,553	255,152	336,671
EXPENDITURE ON					
Charitable activities					
Ministry		111,245	-	111,245	104,069
Mission		127,298	-	127,298	93,291
Establishment		45,863	-	45,863	56,785
Governance		2,120	-	2,120	7,192
Manses		12,656	-	12,656	6,444
Other		<u>4,654</u>	<u>-</u>	<u>4,654</u>	<u>(32,547)</u>
Total		303,836	-	303,836	235,234
Net gains/(losses) on investments		<u>(381)</u>	<u>(329)</u>	<u>(710)</u>	<u>2,131</u>
NET INCOME/(EXPENDITURE)		(52,618)	3,224	(49,394)	103,568
Transfers between funds	11	<u>8,000</u>	<u>(8,000)</u>	<u>-</u>	<u>-</u>
Net movement in funds		(44,618)	(4,776)	(49,394)	103,568
RECONCILIATION OF FUNDS					
Total funds brought forward		331,888	456,958	788,846	685,278
TOTAL FUNDS CARRIED FORWARD		<u>287,270</u>	<u>452,182</u>	<u>739,452</u>	<u>788,846</u>

The notes form part of these financial statements

South Wales Baptist Association (BUGB)

Balance Sheet

31 December 2020

	Notes	Unrestricted fund £	Restricted funds £	31.12.20 Total funds £	31.12.19 Total funds £
FIXED ASSETS					
Tangible assets	6	184,259	-	184,259	184,294
Investments					
Investments	7	19,222	211,238	230,460	228,380
Investment property	8	<u>-</u>	<u>114,577</u>	<u>114,577</u>	<u>114,577</u>
		203,481	325,815	529,296	527,251
CURRENT ASSETS					
Debtors	9	2,220	-	2,220	3,778
Cash at bank and in hand		<u>183,966</u>	<u>126,367</u>	<u>310,333</u>	<u>362,692</u>
		186,186	126,367	312,553	366,470
CREDITORS					
Amounts falling due within one year	10	<u>(8,897)</u>	<u>-</u>	<u>(8,897)</u>	<u>(6,375)</u>
NET CURRENT ASSETS		<u>177,289</u>	<u>126,367</u>	<u>303,656</u>	<u>360,095</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		380,770	452,182	832,952	887,346
PENSION LIABILITY	12	<u>(93,500)</u>	<u>-</u>	<u>(93,500)</u>	<u>(98,500)</u>
NET ASSETS		<u>287,270</u>	<u>452,182</u>	<u>739,452</u>	<u>788,846</u>
FUNDS	11				
Unrestricted funds				287,270	331,888
Restricted funds				<u>452,182</u>	<u>456,958</u>
TOTAL FUNDS				<u>739,452</u>	<u>788,846</u>

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 and authorised for issue on and were signed on its behalf by:

.....
G J Miles - Trustee

.....
D L Powell - Trustee

The notes form part of these financial statements

Notes to the Financial Statements

for the Year Ended 31 December 2020

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 2020**

2. INVESTMENT INCOME

	31.12.20	31.12.19
	£	£
Rents received	7,486	5,801
Deposit account interest	<u>4,959</u>	<u>4,787</u>
	<u><u>12,445</u></u>	<u><u>10,588</u></u>

3. NET INCOME/(EXPENDITURE)

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

	31.12.20	31.12.19
	£	£
The auditing of accounts of any associate of the charity	1,975	1,843
Depreciation - owned assets	<u>2,879</u>	<u>2,452</u>

4. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2020 nor for the year ended 31 December 2019.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 December 2020 nor for the year ended 31 December 2019.

5. STAFF COSTS

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

	31.12.20	31.12.19
Regional ministers	3	4
Administration	<u>1</u>	<u>1</u>
	<u><u>4</u></u>	<u><u>5</u></u>

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

6. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Totals £
COST			
At 1 January 2020	180,846	47,774	228,620
Additions	<u>-</u>	<u>2,844</u>	<u>2,844</u>
At 31 December 2020	<u>180,846</u>	<u>50,618</u>	<u>231,464</u>
DEPRECIATION			
At 1 January 2020	-	44,326	44,326
Charge for year	<u>-</u>	<u>2,879</u>	<u>2,879</u>
At 31 December 2020	<u>-</u>	<u>47,205</u>	<u>47,205</u>
NET BOOK VALUE			
At 31 December 2020	<u>180,846</u>	<u>3,413</u>	<u>184,259</u>
At 31 December 2019	<u>180,846</u>	<u>3,448</u>	<u>184,294</u>

South Wales Baptist Association (BUGB)

Notes to the Financial Statements - continued
for the Year Ended 31 December 2020

7. FIXED ASSET INVESTMENTS

	Listed investments £	Unlisted investments £	Totals £
MARKET VALUE			
At 1 January 2020	6,153	222,227	228,380
Additions	-	2,790	2,790
Revaluations	-	(710)	(710)
At 31 December 2020	<u>6,153</u>	<u>224,307</u>	<u>230,460</u>
NET BOOK VALUE			
At 31 December 2020	<u>6,153</u>	<u>224,307</u>	<u>230,460</u>
At 31 December 2019	<u>6,153</u>	<u>222,227</u>	<u>228,380</u>

There were no investment assets outside the UK.

8. INVESTMENT PROPERTY

	£
FAIR VALUE	
At 1 January 2020 and 31 December 2020	<u>114,577</u>
NET BOOK VALUE	
At 31 December 2020	<u>114,577</u>
At 31 December 2019	<u>114,577</u>

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.20 £	31.12.19 £
Prepayments and accrued income	<u>2,220</u>	<u>3,778</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.20 £	31.12.19 £
Accruals and deferred income	7,543	3,219
Other creditor	<u>1,354</u>	<u>3,156</u>
	<u>8,897</u>	<u>6,375</u>

South Wales Baptist Association (BUGB)

Notes to the Financial Statements - continued
for the Year Ended 31 December 2020

11. MOVEMENT IN FUNDS

	At 1.1.20 £	Net movement in funds £	Transfers between funds £	At 31.12.20 £
Unrestricted funds				
General fund	331,888	(52,618)	8,000	287,270
Restricted funds				
Student Fund	602	3	-	605
Ministers Benevolent Funds				
	59,418	631	-	60,049
Ministers Benevolent Funds				
	2,262	7	-	2,269
Pomeroy Street Funds	7,924	36	-	7,960
Gorseinon Funds				
	4,624	21	-	4,645
Aberbargoed Funds	25,127	113	-	25,240
Capel Gwilym Funds	681	3	-	684
Llanhilleth Church	242	1	-	243
Manse Funds	146,935	1,984	-	148,919
Llandogo Monmouth Funds	24,807	112	(8,000)	16,919
Alexandra Rd Newport Funds				
	48,772	219	-	48,991
Pontyclun/Ely Funds	2,540	11	-	2,551
Nash Newport Funds	18,447	83	-	18,530
Ely Manse	<u>114,577</u>	<u>-</u>	<u>-</u>	<u>114,577</u>
	<u>456,958</u>	<u>3,224</u>	<u>(8,000)</u>	<u>452,182</u>
TOTAL FUNDS	<u><u>788,846</u></u>	<u><u>(49,394)</u></u>	<u><u>-</u></u>	<u><u>739,452</u></u>

South Wales Baptist Association (BUGB)

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2020**

11. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	251,599	(303,836)	(381)	(52,618)
Restricted funds				
Student Fund	3	-	-	3
Ministers Benevolent Funds				
	960	-	(329)	631
Ministers Benevolent Funds				
	7	-	-	7
Pomeroy Street Funds	36	-	-	36
Gorseinon Funds				
	21	-	-	21
Aberbargoed Funds	113	-	-	113
Capel Gwilym Funds	3	-	-	3
Llanhilleth Church	1	-	-	1
Manse Funds	1,984	-	-	1,984
Llandogo Monmouth Funds	112	-	-	112
Alexandra Rd Newport Funds				
	219	-	-	219
Pontyclun/Ely Funds	11	-	-	11
Nash Newport Funds	83	-	-	83
	<u>3,553</u>	<u>-</u>	<u>(329)</u>	<u>3,224</u>
TOTAL FUNDS	<u><u>255,152</u></u>	<u><u>(303,836)</u></u>	<u><u>(710)</u></u>	<u><u>(49,394)</u></u>

South Wales Baptist Association (BUGB)

Notes to the Financial Statements - continued
for the Year Ended 31 December 2020

11. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.1.19 £	Net movement in funds £	Transfers between funds £	At 31.12.19 £
Unrestricted funds				
General fund	227,608	99,280	5,000	331,888
Restricted funds				
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	(5,000)	20,127
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	-	29,807
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
	<u>457,670</u>	<u>4,288</u>	<u>(5,000)</u>	<u>456,958</u>
TOTAL FUNDS	<u><u>685,278</u></u>	<u><u>103,568</u></u>	<u><u>-</u></u>	<u><u>788,846</u></u>

South Wales Baptist Association (BUGB)

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2020**

11. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	333,370	(235,234)	1,144	99,280
Restricted funds				
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 Rd Newport Funds				
	168	-	-	168
Pontyclun/Ely Funds	9	-	-	9
Nash Newport Funds	63	-	-	63
	<u>3,301</u>	<u>-</u>	<u>987</u>	<u>4,288</u>
TOTAL FUNDS	<u><u>336,671</u></u>	<u><u>(235,234)</u></u>	<u><u>2,131</u></u>	<u><u>103,568</u></u>

South Wales Baptist Association (BUGB)

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2020**

11. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.1.19 £	Net movement in funds £	Transfers between funds £	At 31.12.20 £
Unrestricted funds				
General fund	227,608	46,662	13,000	287,270
Restricted funds				
Student Fund	600	5	-	605
Ministers Benevolent Funds				
	57,421	2,628	-	60,049
	2,262	7	-	2,269
Pomeroy Street Funds	7,897	63	-	7,960
Gorseinon Funds				
	4,608	37	-	4,645
Aberbargoed Funds	25,041	199	(5,000)	20,240
Capel Gwilym Funds	679	5	-	684
Llanhilleth Church	241	2	-	243
Manse Funds	145,121	3,798	-	148,919
Llandogo Monmouth Funds	29,704	215	(8,000)	21,919
Alexandra Rd Newport Funds				
	48,604	387	-	48,991
Pontyclun/Ely Funds	2,531	20	-	2,551
Nash Newport Funds	18,384	146	-	18,530
Ely Manse	114,577	-	-	114,577
	<u>457,670</u>	<u>7,512</u>	<u>(13,000)</u>	<u>452,182</u>
TOTAL FUNDS	<u><u>685,278</u></u>	<u><u>54,174</u></u>	<u><u>-</u></u>	<u><u>739,452</u></u>

South Wales Baptist Association (BUGB)

Notes to the Financial Statements - continued for the Year Ended 31 December 2020

11. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	584,969	(539,070)	763	46,662
Restricted funds				
Student Fund	5	-	-	5
Ministers Benevolent Funds				
	1,970	-	658	2,628
Ministers Benevolent Funds				
	7	-	-	7
Pomeroy Street Funds	63	-	-	63
Gorseinon Funds				
	37	-	-	37
Aberbargoed Funds	199	-	-	199
Capel Gwilym Funds	5	-	-	5
Llanhilleth Church	2	-	-	2
Manse Funds	3,798	-	-	3,798
Llandogo Monmouth Funds	215	-	-	215
Alexandra Rd Newport Funds				
	387	-	-	387
Pontyclun/Ely Funds	20	-	-	20
Nash Newport Funds	146	-	-	146
	<u>6,854</u>	<u>-</u>	<u>658</u>	<u>7,512</u>
TOTAL FUNDS	<u>591,823</u>	<u>(539,070)</u>	<u>1,421</u>	<u>54,174</u>

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.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2020

11. 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.

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

12. 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 was 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 2020

12. 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 £93,500

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:

13. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 December 2020.

South Wales Baptist Association (BUGB)

Detailed Statement of Financial Activities

for the Year Ended 31 December 2020

	31.12.20 £	31.12.19 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Proceeds from sale of Churches	10,709	63,810
Donations	<u>320</u>	<u>2,200</u>
	11,029	66,010
Investment income		
Rents received	7,486	5,801
Deposit account interest	<u>4,959</u>	<u>4,787</u>
	12,445	10,588
Charitable activities		
Subscriptions	14,508	22,310
Grants	214,999	232,819
Other incoming resources	<u>2,171</u>	<u>4,944</u>
	<u>231,678</u>	<u>260,073</u>
Total incoming resources	255,152	336,671
EXPENDITURE		
Charitable activities		
Wages	89,483	86,294
Social security	3,374	4,880
Pensions	9,341	7,421
Insurance	3,127	2,237
Telephone	1,967	1,362
Sundries	6,485	1,552
Maintenance	6,023	445
Office costs	3,428	7,573
Computer costs	3,426	1,462
Regional conferences (Momentum)	-	116
Ministerial Recognition	424	47
Mission Grants	102,294	77,528
Benevolent Fund	58	800
Subscriptions	964	1,088
Premises	28,823	22,019
Training	3,835	2,980
Ministers' Conferences	6,556	7,641
Travel/Accommodation	2,553	12,562
Housing Allowances	11,251	13,125
Ministerial support	669	50
Association Day	-	1,797
Cytun	5,000	5,000
Bridgend Methodist	5,000	-
Plant and machinery	2,879	2,452
Bank charges	<u>102</u>	<u>158</u>
	297,062	260,589
Other		
Interest cost and change in pension liability	4,654	(32,547)

This page does not form part of the statutory financial statements

South Wales Baptist Association (BUGB)

Detailed Statement of Financial Activities

for the Year Ended 31 December 2020

	31.12.20 £	31.12.19 £
Support costs		
Governance costs		
Auditors' remuneration for non-audit work	1,975	1,843
Meeting costs	145	2,579
Other costs	<u>-</u>	<u>2,770</u>
	<u>2,120</u>	<u>7,192</u>
Total resources expended	<u>303,836</u>	<u>235,234</u>
Net (expenditure)/income before gains and losses	(48,684)	101,437
Realised recognised gains and losses		
Realised gains/(losses) on fixed asset investments	<u>(710)</u>	<u>2,131</u>
Net (expenditure)/income	<u><u>(49,394)</u></u>	<u><u>103,568</u></u>

This page does not form part of the statutory financial statements