



West of England Baptist Association
(A Company limited by Guarantee)
Operating as **Webnet**

ANNUAL REPORT & ACCOUNTS

for the year ended 31 December 2020

Registered in England Company number: 04326752

Charity number: 1092443



Contents Page	2
Trustees' report	3
Objectives and activities	3
Achievements and performance	3
Financial review, investment performance and principal financial management policies	8
Reference and administrative information	11
Structure, Governance and Management	11
Statement of trustees' responsibilities	13
Independent examiner's report	14
Statement of financial activities	16
Cash flow statement	18
Balance sheet	19
Notes to financial statements	20
Statement of funds	31

Report of the trustees for the year ended 31 December 2020

The trustees are pleased to present their report with financial statements of the charity for the year ended 31 December 2020. Throughout this document The West of England Baptist Association is referred to by its current operating name "Webnet". Reference and administrative information set out on pages 10 and 11 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association, the Accounting and Reporting by Charities: Statement of Recommended Practice (SORP FRS 102) and in accordance with the special provisions for small companies under the Companies Act 2006.

Objectives and Activities

Public Benefit

The trustees have considered the Commission's guidance on public benefit under the Charities Act 2011 and, in particular, the specific guidance on charities for the advancement of religion. Detail of the work of the Association is covered more completely in the Activities and Achievements sections of this report.

Objects of the charity

The principal object of the charity continues to be the advancement of the Christian faith, especially by the means of, and in accordance with, the principles of the Baptist denomination as set out for the time being in the Declaration of Principle of the Baptist Union of Great Britain.

In fulfilling the objects of the Association trustees devised a purpose statement a few years ago which remains core to programmes and activities: -

"Webnet is a fellowship of Baptist Churches Encouraging each other and Growing healthy congregations by Enriching relationships, developing ministry and Enabling fruitful mission".

Achievements and Performance

Webnet activities throughout 2020: -

The Network represents and serves Baptist churches worshipping and working in the West of England, seeking to encourage our congregations in their mission as God's people. However, descriptions such as, unprecedented, unique, one of a kind, once in a lifetime' are more apt when referring to this year and the circumstances generated by the Covid-19 pandemic. None of us expected, nor could anyone have predicted, that we would be facing such extreme and challenging conditions in which live and work. Everyone has been affected and we have yet to realise the full consequences of the pandemic on the social and economic life of our Network and indeed the denomination nationally.

Webnet's Year:

Once again in February we gathered at Saunton Sands Hotel North Devon for our Ministers' Conference. The superb accommodation, hotel setting and, not least, the view always sets the tone and creates a backdrop that inspires the eighty or so delegates. All were able to relax in the very comfortable surroundings enjoying the fellowship and teaching of Ken Benjamin, BUGB President and Kang San-Tan, General Secretary of BMS World Mission. A truly challenging and inspiring time.



Undaunted by the national news and direction given on the 23rd March to, "Stay at home" we committed to continue our work and support of all our member churches within the West of England who overnight faced the reality of a complete and radical change in their life, work and witness. Not merely a challenge but an unprecedented revolution in the way in which these communities functioned as church.

We were soon made aware that there was financial support available from the Baptist Union, in the form of grants, for churches that found themselves in financial hardship threatening their very existence. Whilst this was a national initiative, we are thankful that only three churches within our network found it necessary to take advantage of the grants on offer.

Together with the rest of the working population as an organisation we were faced with transforming the way in which we worked, communicated with each other, our churches, and the planning of and operation of events.

Our staff rose to the challenge and adapted to this new way of existing and working



from home. For an organisation that's life, work and whole existence is expressed and operates essentially in a relational way this new virtual way of life was not going to be easy. However, by new skills and knowledge learned and

honed overnight, courtesy of Zoom and Microsoft Teams, we succeeded and overcame and managed to operate and achieve the objects and activities of the charity.

We have organised online meetings throughout the year to facilitate staff and trustees' groups to include our Network AGM in October. We have continued our working relationship with our partner associations via Zoom meetings and have actively engaged with our Baptist family nationally both administratively and in worship and fellowship.

Early in the year we launched our new name and logo, **webnet**, whilst our staff Christmas celebrations was a virtual experience including quizzes.

Areas of development:

Despite the pandemic there is a great deal to celebrate in what has been achieved in the on-going life of the network.

In January the amalgamation between our Broadmead church and BC3 took place. This was the result of much prayer and discussion over many months between two very different congregations drawn from diverse backgrounds. This was an enormous success the achievement of which should not be underestimated in any way.

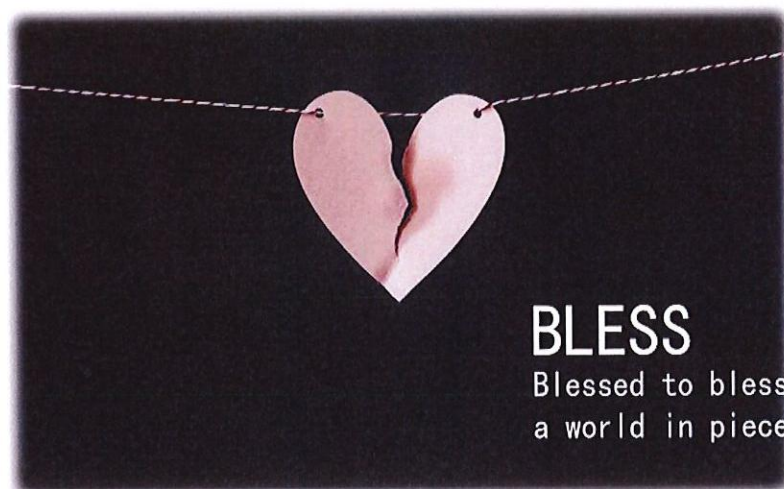
The 2019 Re-imagine cycle continued with churches from Bourton on the Water, Clarence Park, Downend, Milton and Wotton-under-Edge taking part. The 2020 cycle was launched in March 2020 comprising of Devizes, Matson, Upper Stratton, Swindon and Westbury West End churches.

We proposed a consultation across all of our member churches to gain a greater awareness in respect of, climate change, age profile of church and attendees, equipping people to share their faith, developing leadership, an engagement with black and minority ethnic groups.

We approached one of our ministerial couples who have particular knowledge and expertise regarding environmental awareness and issues to represent our Network on the Baptist Union Network.

We have also been in the forefront of an initiative for the advance of a building development fund. With the support and expertise of professionals from within the wider Baptist family we have identified a one of our member churches that possibly could benefit from this pioneering enterprise. We are confident that the church's involvement with this new approach will ultimately release significant funds that are currently tied up in supporting the upkeep and maintenance of its substantial buildings.

In recent years we have held, "Network Gatherings" on a quarterly basis that on a geographical basis have gathered congregations for celebration and fellowship. Clearly this has not been possible due to the pandemic so working within the restrictions we conceived the idea of holding online, "Blessed Prayer Gatherings" on alternate months. This was greatly appreciated by attending churches.



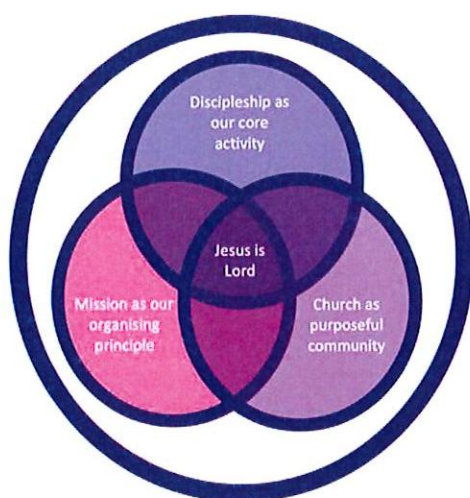
Regional Staff: The regional team is headed up by Rev Nigel Coles ably supported by Rev Alisdair Longwill, Gary Woodall and Rev Lindsay Caplen. Alisdair heads up the Home Mission Grants and has oversight of the churches in Swindon, Gloucestershire and the Forest of Dean, whilst Gary heads up Safeguarding and MRC and has oversight of churches in North Somerset, Bristol, Bath and Wiltshire (beyond Swindon), Lindsay has responsibility for encouraging pioneering and the planting of new congregations. Nigel has overall responsibility and management for all the Regional Team's work, strategy and vision. He also is part of the National Settlement Team for ministry across the network. Nigel represents the Association on various national groups and forums. Both Alisdair and Gary have benefited from periods of sabbatical during the year. The team continues to engage in national BUGB life and in particular, attendance at Baptist Union Council. Bristol Baptist College have appointed one of our regional ministers Rev Lindsay Caplen for a half day/week to oversee and develop a program entitled, Prepare, Feed and Sustain. We are delighted in this development, which we hope will mark a new season of closer collaboration between Webnet and the College in our region. This will be a secondment from Webnet.



Webnet Staff: We are grateful to the mainly part-time staff that administers our regional office, for their hard work, dedication and commitment, their expertise in many and varied fields. Alex Drew our event's organiser achieves the impossible with her skilful and intuitive administration. This is the key to Webnet's priority in delivering well planned, organised events and meetings that are both informative and of the highest

standard. Alex, who serves as Nigel Coles' PA has during the year had a redefining of her role to include the support of the Regional Ministry Team. Our finance manager, Matt Filsell, a Chartered Accountant, ably supervises the day to day running and processing of Webnet's finance. This is a key position within the organisation with many demands being made on Matt's time who works just two days each week. Rob English is Webnet's Manager and Company Secretary. He also is a Director of the BUC and attends Baptist Union Council. Whilst a good deal of time is taken up with property and legal issues Rob deals with a plethora of administrative and general enquiries from the regional team and churches across the network. Jess Collard works part time as the Office Administrator and brings many qualities complementing the team. During this challenging year Jess has shown particular initiative and enthusiasm in the operation and support of our online virtual presentations and group meetings. We extend a big "thank you" to the whole team for their commitment and enthusiasm but above all their devotion to the work of the Kingdom in the life, work and witness of Baptists in the West of England. This has been especially true during this year as they have adapted magnificently to all the changes and demands required of them from working from home.

Trustees: Equally, we are indebted to our Trustees who have accepted the call of God to be part of the governing body of our Association. They shoulder the responsibility and decision making for the future strategy, life and witness of our network of churches. They are a group of volunteers who look to God for vision and each other for mutual support. Drawn from a variety of backgrounds they bring a variety of expertise and skill sets that provides wisdom and equips them in their decision making. The Trustees having a statutory duty to ensure good management, governance and leadership also deal with financial matters, working on our ongoing relationship with BUGB and responding to an increasing demand in applications for loans from our member churches for Kingdom building projects. The Trustees continue to review Webnet's strategy as well as overseeing its day-to-day operations. To this end during the year, we launched a five-year action plan for discussion by them. This sets out a proposed change in the structure in our life and witness together both regionally and nationally.



AGM: In October we held our AGM. This was a virtual meeting held online that was both unique as much as challenging. People from across the network gathered in an atmosphere of worship and consciousness of the need to transact the necessary annual business in a somewhat novel way. We celebrated the good things that God is doing throughout our network of churches.

We are thankful that very few deaths, as a result of COVID 19, have been reported from our member churches and that seemingly the pandemic has not created a crisis amongst us. Ministers and leadership teams have, generally speaking, coped

very well particularly in terms of maintaining pastoral care and regular opportunities to worship, via on-line platforms. The majority adapted to the need swiftly and responded well. However, we are equally aware that many churches have struggled with much of

their energies being taken up in maintaining a form of regular worship and pastoral support. It truly has been a very difficult time for ministers and leadership teams many of which have both physically and mentally been stretched beyond their abilities. At the same time, we rejoice and give thanks in reports of churches that have experienced opportunities of greater, or deeper engagements with the wider community. There are some really exceptional stories that we thank God for.

We are extremely grateful and thank God for all those who faithfully serve our Churches especially to many who minister through the Association, its teams and informal groups. We are in partnership with this vast number of very willing and committed volunteers who give freely and gladly of their time to growing healthy churches in kingdom building.

COVID-19

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

Financial review

The charity has claimed exemption from preparing consolidated accounts as permitted by the Statement of Recommended Practice (SORP FRS102) and Accounting Regulations, as the income of the group is below the relevant threshold of £1,000,000. Individual accounts for each entity have been prepared with the West of England Baptist Trust Company being independently examined and West of England Baptist Payroll Company being subject to an accountant's report. Copies of the accounts are available from the charity's registered office. The statement of financial activities for the year is set out on page 16. The charity reports an overall surplus for the year of £98,617 across all funds. The unrestricted General Fund reported a net deficit before funds transfers and changes in pensions liability of £62,461. No new loans were made to churches during the year and the outstanding balance on support loans decreased from £155,558 to £125,690.

The principal source of funding remains the Home Mission grant from the Baptist Union of Great Britain. The amount of the grant is governed by how much individual churches decide to donate directly to the Baptist Union Home Mission appeal. For many years, the response to the appeal has been gradually falling and therefore this major income source for Webnet continues to be under pressure. With churches closed for much of the year by COVID-19 the grant showed a 9% fall to £195,581 (2019: £215,838). Webnet's response to the pressure on Home Mission funding has been to seek other income sources. Other donations and grants received in 2020 (accounts note 2) were £105,239 (2019: £75,583). Charging for charitable activities (accounts note 4) raised £61,905 (2019: £78,939). Investment income (accounts note 3) fell to £19,442 (2019: £22,997) mainly because of Covid related falls in dividends

received. All this meant that there would have been a substantial overall deficit if we had not received £141,785 from the sale of the former manse of a local ecumenical project in West Swindon. The Association uses its income both to fund the infrastructure of the Association, to run various training and development programmes and to make individual grants to churches. The infrastructure element of the grant was used to fund the cost of the regional ministers and regional support staff. Their work in turn helped to support churches in the achievement of their objectives. Grants are listed in accounts note 6, in 2020 these totalled £124,797 (2019: £85,592), the intention is that the number and overall value of grants will be maintained over time but the steady fall in income puts that into some question for the periods ahead.

Note 7 to the accounts details the Association's membership of and liability to the Baptist Pension Scheme, at the end of the year the liability stood at £80,356 (2019: £128,611). The Trustees are indebted to the substantial support provided by the many volunteers but are unable to put any financial evaluation into the accounts because it is unable to quantify such assistance.

Subsidiary companies

The subsidiary trust company which is non-profit making, provides support to the churches regarding church and manse properties held in trust. The subsidiary payroll company provides a full payroll service for churches that wish to outsource their payroll to a trusted provider. Several of our churches are faced with important decisions as to what to do with their existing buildings, particularly where there are restrictions because of listed building status. The board members of the Trust companies continue to give unstintingly of their time and experience in assisting those churches under their care. The Payroll Company has continued to grow under the expert attention of their staff, where the company has extended its services to both churches and staff of other Associations. This is an increasingly important service provided to churches and seen as best practice amongst other Associations in the Baptist Union.

We are grateful for the support provided to the subsidiary companies by volunteers who give valued specialist advice both to the Trust Officer and the churches in relation to their buildings.

Related parties

The charity is a member of the Baptist Union of Great Britain from which significant grant funding is received and details of this are set out in the notes to the financial statements. See also under 'Organisation' for details of relationships with subsidiary companies.

Investment performance

The Webnet portfolio is held by the Trust Company, in order to minimize the management fees and to improve performance. As reported elsewhere in this report, Covid-19 impacted the investment performance during the year. By year end, excluding an additional investment made, the value of the portfolio was 5% down on the start of the year. The overall income return was 2.8% of the average value of the portfolio through the year (against our normal benchmark of 3.8%). The ethical basis of investment does continue to have some impact on the actual performance of its portfolio against the overall market trends shown in market benchmarks. In early 2021 the Baptist Union adopted a revised ethical policy which we will also implement.

Principal Financial Management Policies

Reserves Policy

Webnet has a substantial reserve held in expendable endowment. These are funds that have been gifted to the charity that are capital in nature, but not restricted. Appropriately allocating them to an expendable endowment fund allows the trustees to utilise the capital funds to generate income to serve the ongoing needs and purposes of webnet, or allowing the trustees to convert the funds to general funds in the future as they see fit. Webnet also needs an operating reserve in the general fund to meet current liabilities. At their meeting in March 2021 the Trustees adopted the following wording as the Reserves Policy:

it is the policy of webnet to hold reserves as expendable endowment for use in serving the association churches and for webnet strategic development. It is also webnet policy to maintain the General Fund at no less than £50,000.

The free reserves of the charity at the year-end are £53,456 and are the same as those held in General Funds. Free reserves are calculated to be the total funds of webnet less those funds that are restricted, endowed, designated or otherwise committed. The trustees believe that there are currently sufficient reserves between the General Fund and the Income Fund to cover operations for at least the next 12 months. The level of reserves is reviewed each year.

Investment policy

Under the memorandum and articles of association the charity has the power to make any investment that the trustees see fit. The investment policy is a balanced one of income and growth to ensure adequate income for the day to day needs of the charity coupled with capital growth to maintain and increase over time the value of the portfolio to protect the charity against inflation and to ensure the charity has the ability to meet major capital projects should it be needed, particularly church planting opportunities. The investment policy follows the ethical guidelines prescribed by the Baptist Union and is reviewed annually.

Reference and administrative information

Constitution

Webnet is a company limited by guarantee and a registered charity governed by its memorandum and articles of association and byelaws.

Charity number: 1092443

Company number: 04326752

Directors and trustees

Trustees/Executive Members

Stephen Robinson Chair of Trustees (resigned as Trustee 20 October 2020)

Steven Christian (Chair from 4 December 2020)

Philip Poole – Honorary Treasurer

Nigel R Coles – Regional Minister & Team Leader

Stephen Finamore, Simon Gray, Paul Salmons, Graham Simms

Regional Ministry Team

Nigel Coles, Alisdair Longwill, Gary Woodall and Lindsay Caplen

Company Secretary

Robert English

Registered Office

Little Stoke Baptist Church, Kingsway, Little Stoke, Bristol. BS34 6JW.

Independent examiner Joshua Kingston BSc ACA,

Burton Sweet, Chartered Accountants, The Clock Tower, Farleigh Court, Flax Bourton, Bristol BS48 1UR

Bankers

CAF Bank Limited, Kings Hill, West Malling, Kent. ME19 4TA

HSBC Bank plc, 62 George White Street, Cabot Circus, Bristol BS1 3BA

Solicitors

Clarke Willmott, Blackbrook Gate, Blackbrook Park Avenue, Taunton TA 1 2PG

Investment Advisors

Charles Stanley & Co Limited, 25 Luke Street, London, EC2A 4AR

Structure, Governance and Management

Recruitment and Appointment of Trustees

The Directors of the charitable company ("Webnet" or "West of England Baptist Association") are its trustees for the purposes of charity law and throughout this report are collectively referred to as the trustees or the Executive. As set out in the Bye-Laws pursuant to the Articles of Association, the Officers of the Association, Moderator, Company Secretary, Honorary Treasurer and Regional Ministers shall be

nominated by the trustees, following consultation with member churches, to the Annual General Meeting. Periods of service shall be decided by the trustees and notified to the AGM. The Company Secretary is a non-voting trustee.

Appointment or re-appointment of trustees is subject to nomination from appropriate geographical groups of churches for submission to the AGM. Members shall serve for four years. The Executive has the power to co-opt additional members.

Training has been organised for Trustees and all new trustees are provided with details of their roles and responsibilities and when necessary, the trustees receive training on their responsibilities.

Organisation

The charity is governed by a Board of Trustees, (the executive) who meet regularly to discuss fulfilment of aims, objectives and purpose statement of the Association. The trustees operate in between meetings through two teams that report directly to the trustees. Each team has its own terms of reference for dealing with various aspects of Association life and each has its own Team leader:-

Finance Team: Moderator – Philip Poole

Staff Advisory Group: Moderator – Graham Sims

The trustees and teams are supported by a small number of part-time staff who perform various administration duties. At the Annual General Meeting, all churches that make up the Association have the opportunity to send delegates and approve agenda business.

The West of England Baptist Trust Company Limited (WEBTC) acts as ultimate trustee for the Association churches which are in trust with it. Webnet has the sole right to appoint WEBTC trustees. The WEBTC board consists of directors who are also directors of Webnet plus independent directors. The objects of the WEBTC charitable company are to act as custodian trustee, and in conjunction with the respective managing trustees, take responsibility for the property and investment portfolios, held in trust, on behalf of churches in Bristol, North Somerset and South Gloucestershire, Wiltshire, Swindon, and East Somerset for WEBTC areas. Webnet also has a wholly owned subsidiary company, The West of England Baptist Payroll Company Limited which handles the payroll service on behalf of churches. This is a non-profit making company whose costs are met from subscriptions paid by churches that use the service. The Webnet trustees following recommendation from the Finance team appoint the directors of this company.

Statement of trustees' responsibilities

The trustees (who are also directors of West of England Baptist Association for the purposes of company law) are responsible for preparing the Trustees' Report (incorporating the directors' report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

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

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the trustees and signed on their behalf by:

..... R. English,
Association Manager and Company Secretary

July12, 2021

Independent examiner's report to the trustees of West of England Baptist Association ('the Company')

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 December 2020.

Responsibilities and basis of report

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

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

Independent examiner's statement

Since the Company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Joshua Kingston BSc ACA
Burton Sweet Ltd, Chartered Accountants
The Clock Tower
5 Farleigh Court
Old Weston Road
Flax Bourton
Bristol BS48 1UR

July 12, 2021.

Statement of financial activities
For the year ended 31 December 2020

	Notes	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2020 £	Total 2019 £
INCOME FROM:						
Donations	2	300,820	-	141,785	442,605	397,399
Investments	3	19,442	-	-	19,442	22,997
Charitable activities	4	61,905	-	-	61,905	78,939
Total Income		382,167	-	141,785	523,952	499,335
EXPENDITURE ON:						
Charitable activities	5	430,479	15,020	-	445,499	556,261
Fees on sale of property		-	-	2,836	2,836	-
Total Expenditure		430,479	15,020	2,836	448,335	556,261
Investment gains/(losses)		(1,079)	-	(14,009)	(15,088)	75,579
Net income/expenditure		(49,391)	(15,020)	124,940	60,529	18,653
Transfers between funds		(30,000)	-	30,000	-	-
Pension liability movements		38,088	-	-	38,088	(4,940)
Net Movement in Funds		(41,303)	(15,020)	154,940	98,617	13,713
Reconciliation of Funds						
Total funds brought forward 1 January 2020		1,230,972	52,681	813,457	2,097,110	2,083,397
Total Funds at 31 December 2020	18	1,189,669	37,661	968,397	2,195,727	2,097,110

The comparative Statement of Financial Activities can be seen in note 9

All gains and losses arising in the year are included in the Statement of Financial Activities and derive from continuing activities.

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

Summary income and expenditure account
 For the year ended 31 December 2020

	Total 2020 £	Total 2019 £
Total Income	382,167	499,335
Total Expenditure	(445,499)	(556,261)
Investment gains	(1,079)	4,088
Pension liability movements	38,088	(4,940)
Transfers to endowment funds	(30,000)	-
Net income/(expenditure) for the year	<u>(56,323)</u>	<u>(57,778)</u>

All gains and losses arising in the year are included in the Statement of Financial Activities and derive from continuing activities.

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

Cash Flow Statement
 For the year ended 31 December 2020

	Notes	2020 £	2019 £
Net cash inflow from operating activities	17A	102,168	(49,047)
Non-operational cashflows			
<i>Cash flows from investing activities</i>			
- Investment income		19,428	22,997
- Payments for tangible fixed assets		(1,888)	-
- Payments for investments acquired		(48,697)	(65,924)
- Receipts from sale of investments		48,177	88,428
- Payments to pension deficit fund		(10,167)	(13,263)
Net cash inflow/(outflow) for the year	17B	<u>109,021</u>	<u>(16,809)</u>

Cashflow restrictions

Charity law prohibits the use of net cash inflows on any endowed or other restricted fund to offset net cash outflows on any fund outside its own Objects, except on special authority. In practice, this restriction has not had any effect on group cashflows for the year.

Balance Sheet

As at 31 December 2020

		Total 2020 £	Total 2019 £
Fixed assets	Note		
Tangible assets	11a	489,580	489,295
Investments	12	738,312	736,799
Programme-related investments	13	795,569	839,686
		<u>2,023,461</u>	<u>2,065,780</u>
Current assets			
Debtors	14	16,022	18,071
Cash at bank and in hand	15	259,967	167,013
		<u>275,989</u>	<u>185,084</u>
Creditors: amounts falling due within one year	16	(33,534)	(38,406)
Net current assets		<u>242,455</u>	<u>146,678</u>
Total assets less current liabilities		<u>2,265,916</u>	<u>2,212,458</u>
Creditors: amounts falling due within one year			
Pension deficit liability		(70,189)	(115,348)
Net Assets		<u>2,195,727</u>	<u>2,097,110</u>
The funds of the charity:			
Unrestricted funds:			
General	18	53,456	12,252
Designated	18	1,136,213	1,218,720
		<u>1,189,669</u>	<u>1,230,972</u>
Restricted	18	37,661	52,681
Endowment	18	968,397	813,457
Total funds		<u>2,195,727</u>	<u>2,097,110</u>

For the year ended 31st December 2020 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006. The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts.

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

Approved by the trustees on July 12, 2021 and signed on their behalf by:

.....
 Rev Steven Christian
 Chair of Trustees
 Company number: 04326752

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

Notes to financial statements
31 December 2020**1 Accounting policies****Basis of accounting**

The financial statements are prepared under the historical cost convention, as modified by the inclusion of fixed asset and investments at market values, and in accordance with the Financial Reporting Standard 102, the Charities Act 2011, the Statement of Recommended Practice, (SORP FRS 102), and the Companies Act 2006.

The trustees consider that there are no material uncertainties about the Association's ability to continue as a going concern. This has been determined by the Trustees after consideration of the effects of Covid-19 on the association and the wider economy.

The association constitutes a public benefit entity as defined by FRS 102.

a) Income

Income from grants, donations and other voluntary income are recognised once the charity has entitlement to the income, there is sufficient certainty of receipt and the amount can be measured reliably. Legacies are recognised when it is probable that they will be received and the amount can be measured with sufficient reliability.

b) Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to the expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis.

Charitable activities

Expenditure relates primarily to staffing and support costs required to enable the charity to serve the Baptist Church communities in the West of England. The support is wide ranging and involves pastoral care of ministers and churches, support for outreach, new church planting, buildings, youth work, training, payroll service and finance. In addition, the charity makes a number of grant payments to Baptist churches and to support different ministries including the Churches Together bodies across the region.

Governance Costs

Governance costs are associated with constitutional and statutory requirements, including those costs associated with the strategic management of the charity's activities. These are included within support costs.

c) Grants

There are effectively three kinds of Home Mission Grants:

- Mission through Ministry Grants (awarded to established churches)
- Special Ministry Grants (awarded to developing new expressions of church & missional communities)
- Mission Project Grants (one-off grants awarded as seed funding for a mission project)

The association is free to decide how much to budget for grants to churches etc. out of the income received from the national Home Mission appeal and other income sources. It can then award Home Mission grants as it chooses. The relevant forms are issued at the beginning of the year and various churches/new expressions of church etc. can then submit a grant application. Once these have been received back and collated, the association Home Mission Grants Awards Group meets to consider all the applications. This group make provisional decisions regarding the awarding of grants; these are then brought to the association Trustees for ratification; and the final step (which offers the element of accountability to our association partners) is the presentation of the proposed grants to the inter-association Partnership for their consideration and eventual approval (for WEBA the inter-association partners are South Wales Baptist Association; South West Baptist Association; and Southern Counties Baptist Association).

d) Pension costs

The charity makes contributions to the Baptist Pension Scheme (formerly Baptist Minister's Pension Trust Limited). Pension costs are charged to the Statement of Financial Activities as incurred. Please see note 7 for more details on the policy used.

e) Tangible Fixed Assets

Tangible fixed assets are stated initially at cost less subsequent depreciation.

Depreciation is provided on all tangible fixed assets at annual rates calculated to write off the cost, less estimated residual value, of each asset on a straight line basis over its expected useful life, as follows:-

Office equipment – 25%

No depreciation is charged on freehold property or land as in the opinion of the trustees the properties have a long useful life. An assessment for indications of impairment is made on an annual basis.

1 Accounting policies (*Continued*)

f) Investments

Investments held as fixed assets are stated at their market value as at the balance sheet date. Differences in market values from the previous year are accounted for as unrealised gains or losses.

Investments are managed on behalf of the company on a discretionary basis by Charles Stanley to achieve a balanced return from income and capital growth, whilst accepting a moderate level of risk. Investment Guidelines, determining the strategic distribution of funds are agreed by the trustees periodically. Charles Stanley may exceed these guidelines, but only after seeking the authority of the trustees. The trustees also follow the Baptist Union of Great Britain Investment Policy for ethical investments which restricts investment in companies with significant trading interests in armaments, alcohol, gambling or tobacco, where "significant" is taken to mean greater than 5%.

Charles Stanley are not responsible for the management of the company's tangible fixed assets, loans granted or cash held directly in the name of the company.

Income from investments is accounted for when receivable.

g) Programme related investments

Support loans are made to churches or individuals to help them achieve their charitable objectives where they line up with those of the charity. Interest is paid at a rate agreed by the trustees. They are recognised at the amount outstanding to the charity at the end of the year.

The properties are rented out to other organisations with similar charitable objects as those of the charity. They are valued in the accounts at cost. The trustees review the properties annually for indicators of impairment. The trustees do not consider it appropriate to depreciate the assets as, over time, the assets are being held at less than their market worth.

h) Fund accounting

Funds held by the charity are either:-

- *Unrestricted general funds* – these are funds which can be used in accordance with the charitable objects at the discretion of the trustees;
- *Designated funds* – these are funds set aside by the trustees out of unrestricted general funds for specific purposes or projects;
- *Restricted funds* – these are funds that can only be used for particular restricted purposes within the objects of the charity.
- *Permanent endowment* – was created following a Charity Commission scheme following the closure of the Avening Baptist Church in 1995. The capital of the scheme restricted the use of the fund to the churches within the South Gloucestershire area.
- *Expendable endowment* – represents donations given towards the capital of the charity of which the purpose of the fund is to generate income for the on-going work of the Association. The trustees have the power to convert these funds to general funds.

Expenditure which meets these criteria is charged to the funds.

Further explanation of the nature and purpose of each fund is included in note 18.

i) Current assets

Amounts owing to the Association at 31 December in respect of fees, rents or other income are measured on initial recognition at settlement amount after any trade discounts or amount advanced by the Association. Subsequently, they are measured at the level of cash or other consideration expected to be received.

j) Current liabilities

Creditors and provisions are recognised when the Association has a present obligation arising from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably.

Liabilities are measured on recognition at their historical cost and then subsequently at the best estimate of the amount required to settle the obligation at the reporting date.

k) Gains and losses

All gains and losses are taken to the SoFA as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or purchase value if purchased during the year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value.

2 Income from Donations

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

	Unrestricted	Restricted	Endowment	Total 2020	Total 2019
	£	£	£	£	£
Home Mission Funding	195,581	-	-	195,581	215,838
Donations	19,366	-	-	19,366	22,266
Partnership for Mission	31,742	-	-	31,742	16,706
Other grants	30,000	-	-	30,000	-
WeBox Appeal	24,131	-	-	24,131	20,787
Seventy-two	-	-	-	-	15,824
Share of proceeds on sale of Blakeney chapel	-	-	-	-	105,978
Share of proceeds on sale of Tattershall, URC	-	-	141,785	141,785	-
	<u>300,820</u>	<u>-</u>	<u>141,785</u>	<u>442,605</u>	<u>397,399</u>

The charity has a close relationship with the Baptist Union of Great Britain (which is also a charity) and receives significant funding from it. The Home Mission funding is a share of the monies donated to the Baptist Union of Great Britain by churches in the area covered by the Association.

Grants for Churches Together within the Association area and for special projects are now allocated separately following a restructuring of the way in which the Baptist Union Home Mission grants are distributed.

All income from donations in 2019 was unrestricted except for £15,824 restricted income received for the Seventy-Two project.

3 Income from Investments

	Unrestricted	Restricted	Endowment	Total 2020	Total 2019
	£	£	£	£	£
Income from investments	19,437	-	-	19,437	22,063
Bank interest	5	-	-	5	934
	<u>19,442</u>	<u>-</u>	<u>-</u>	<u>19,442</u>	<u>22,997</u>

All income from investments in 2019 was unrestricted.

4 Income from charitable activities

	Unrestricted	Restricted	Endowment	Total 2020	Total 2019
	£	£	£	£	£
Church income re Regional Ministers	1,153	-	-	1,153	2,997
Management charges - Payroll and Trust Companies	16,200	-	-	16,200	16,200
Programme related investment income	31,942	-	-	31,942	31,753
Ministers Conference	11,579	-	-	11,579	12,023
Committees & conferences	1,031	-	-	1,031	15,966
	<u>61,905</u>	<u>-</u>	<u>-</u>	<u>61,905</u>	<u>78,939</u>

All income from charitable activities in 2019 was unrestricted.

5 Expenditure on Charitable activities

	Total 2020 £	Total 2019 £ Restated
Assemblies, Conferences & Events	17,256	26,108
Employees (see note 7)	246,264	319,616
Home Mission and other grants (see note 6)	124,797	85,592
Hospitality	847	812
Management & administration	15,214	18,299
Depreciation	1,603	1,188
Property costs	13,630	80,895
Subscriptions	724	707
WeBox	19,236	14,854
Independent examination	3,240	2,766
Legal & professional fees	2,688	4,376
Trustees expenses (included in note 7)	-	1,048
	445,499	556,261

6 Analysis of grants

	Total 2020 £	Total 2019 £
Home Mission grants:		
The Stowe	6,000	8,004
Knowle West Baptist Church	14,604	14,604
Stapleton Baptist Church	-	996
Worle Baptist Church	15,996	7,296
Bristol University Chaplain	4,116	4,116
Chew Magna Baptist Church	5,004	5,004
City Road Baptist Church	19,004	5,004
Stonehouse Baptist Church (grant repaid)	-	(1,356)
Welton Baptist Church	6,996	6,996
St Marks Baptist Church	6,000	6,996
Cheddar Baptist Church	5,004	6,996
Nailsworth Baptist Church	4,167	-
Brunswick Baptist Church	2,640	-
Hillfields Baptist Church	1,000	-
Bussage	7,300	-
Portishead, Mission Catalyst	7,300	6,000
	105,131	70,656
Other grants:		
English Churches Together	1,542	1,600
Tilshead Fund - student fees	2,720	-
Contribution to schools chaplaincy	1,400	-
Partnership for Mission		
- Melksham Baptist Church	14,004	9,336
- St George Baptist Church	-	4,000
	19,666	14,936
	124,797	85,592

7 Staff costs and Trustee expenses

	2020 £	2019 £ Restated
Regional Ministers' remuneration:-		
Revd. Nigel Coles - Trustee	39,510	36,014
Social Security costs (trustees)	3,787	3,887
Trustee Pension costs (see note below)	8,485	9,192
Total Trustees' remuneration	51,782	49,093
Staff Salaries	134,978	137,502
Social Security costs (staff)	8,478	8,205
Other Staff Pension costs (see note below)	8,421	54,883
Housing costs	18,193	28,190
Training - courses, conferences, assemblies	1,801	2,227
Council tax, water, telephone	11,406	9,576
Expenses and other costs	11,205	29,940
	<u>246,264</u>	<u>319,616</u>

The Memorandum of Association of the charity, approved by the Charity Commission, provides for remuneration and benefits to be paid to those persons appointed as Regional Ministers of the charity. Remuneration is paid to the Regional Ministers as fully accredited Baptist ministers of the Baptist Union of Great Britain to exchange information, provide advice and support to churches and their respective ministers and leaders enabling the charity to further its Objects.

<i>Pension Costs to SOFA</i>		2020 £	2019 £
Regional Ministers' pension contributions:-			
Revd. Nigel Coles - Trustee	Baptist Pension Scheme	8,485	9,192
Staff	Baptist Pension Scheme	8,421	4,883
Balance of deficit contributions payable for BU Scheme		-	50,000
		<u>16,906</u>	<u>64,075</u>

Staff numbers and key management personnel

	2019	2018
The average number of full-time equivalent employees (including part-time staff) during the year as follows:		
Regional Ministers	3.0	3.0
Office Administrative Manager & Trust Officer	1.0	1.0
Administration staff	1.5	1.5
Payroll staff	0.9	0.9
Other Ministerial staff (including Wichelstowe & part-time project staff)	0.3	0.3
	<u>6.7</u>	<u>6.7</u>

The actual number of staff during the year was 8 (2019 - 8)

The key management personnel were defined as the Trustees and the senior management team, the total employment benefits paid to this group amounted to £108,666 (2019 - £133,277). This includes gross salary and employer's national insurance and pension contributions. Other benefits received are detailed above.

In 2020 no employee earned more than £60,000 per annum (2019 - Nil)

Trustee expenses

	2020 £	2019 £
Trustee expenses	-	1,048

No trustees were reimbursed expenses in the current year. In the prior year, 4 trustees were reimbursed as above to cover travelling, conference and other expenses.

7 Staff costs and Trustee expenses (*continued*)

Pensions

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

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

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

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

Benefits in respect of service prior to 1 January 2012 are provided through the Defined Benefit (DB) Plan within the Scheme. The main benefits for pre-2012 service were a defined benefit pension of one-eightieth of Final Minimum Pensionable Income for each year of Pensionable Service, together with additional 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 2019

A formal valuation of the Defined Benefit (DB) Plan was performed at 31 December 2019 by a professionally qualified Actuary using the Projected unit Method. The market value of the DB Plan assets at the valuation date was £298 million.

The valuation of the DB Plan revealed a deficit of assets compared with the value of liabilities of £18 million (equivalent to a past service funding level of 94%). The Church and the other employers supporting the DB Plan are collectively responsible for funding this deficit.

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

The key assumptions underlying the valuation were as follows:

Type of financial assumption	%pa
RPI price inflation assumption	3.20
CPI price inflation assumption	2.70
Minimum Pensionable Income increases (RPI)	3.20
Assumed investment returns	
Pre-retirement	2.95
Post retirement	1.70
Deferred pension increases	
Pre-April 2009	3.20
Post April 2009	2.50
Pension increases	
Main scheme pension	2.70

Post-retirement mortality in accordance with 80% of the S2NFA and S2NMA tables, with allowance for future improvements in mortality rates from 2013 in line with the CMI 2019 core projections, with a long term annual rate of improvement of 1.75% for males and 1.5% for females, with the core smoothing parameter and with additional initial mortality improvement factor A=0.5%.

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

Recovery Plan

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

Under the current recovery Plan dated 30 September 2020, deficiency contributions are payable until 33 June 2026. 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. However, the Trustee and the Council agreed a 50% reduction for all deficiency contributions payable between 1 July 2020 and 31 December 2020.

Movement in Balance sheet liability

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

Accounting date (year ending):	31/12/2020	31/12/2019
Balance sheet liability at year start	128,611	136,934
Minus deficiency contributions paid	(10,167)	(13,263)
Interest cost (recognised in SoFA)	2,100	3,130
Remaining change to balance sheet liability* (recognised in SoFA)	(40,188)	1,810
Balance sheet liability at year end	<u>80,356</u>	<u>128,611</u>

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

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

Creditors (amounts falling due within one year)	10,167	13,263
Creditors (amounts falling due after more than one year)	70,189	115,348
	<u>80,356</u>	<u>128,611</u>

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

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

Accounting date	31/12/2020	31/12/2019	31/12/2018
Discount rate	0.40%	1.70%	2.40%
Future increases to Minimum Pensionable Income	3.00%	3.20%	3.30%

	2020	2019
	£	£
Total pension cost		Restated
BPS	16,906	14,075
Deficit contributions	-	50,000
	<u>16,906</u>	<u>64,075</u>

8 Taxation

No corporation tax has been provided in these accounts because the income of the charity is within the exemption granted by Section 505 of the Income and Corporation Taxes Act 1988.

9 Statement of Financial Activities for the year ended 31 December 2019

	Unrestricted	Restricted	Endowment	Total 2019
	£	£	£	£
INCOME FROM:				
Donations	381,575	15,824	-	397,399
Investments	22,997	-	-	22,997
Charitable activities	78,939	-	-	78,939
Total Income	<u>483,511</u>	<u>15,824</u>	<u>-</u>	<u>499,335</u>
EXPENDITURE ON:				
Charitable activities	537,856	18,405	-	556,261
Total Expenditure	<u>537,856</u>	<u>18,405</u>	<u>-</u>	<u>556,261</u>
Investment gains/(losses)	4,088	-	71,491	75,579
Pension liability movements	(4,940)	-	-	(4,940)
Net Income/(expenditure) and net Movement in Funds	<u>(55,197)</u>	<u>(2,581)</u>	<u>71,491</u>	<u>13,713</u>
Reconciliation of Funds				
Total funds brought forward 1 January 2019	1,286,169	55,262	741,966	2,083,397
Total Funds at 31 December 2019	<u>1,230,972</u>	<u>52,681</u>	<u>813,457</u>	<u>2,097,110</u>

10 Net income for the year

	2020 £	2019 £
This is stated after charging:		
Independent Examiner's fees:		
Accounts preparation	1,800	1,650
Independent examination - current year	1,200	1,128
-under/(over)provided in prior year	240	(12)
Depreciation	1,603	1,188

11 Fixed Assets**a) Tangible fixed assets**

The movement in the year was as follows:-

	Freehold Property £	Office Equipment £	Total £
Cost			
Beginning of the year	488,631	17,412	506,043
Additions	-	1,888	1,888
	488,631	19,300	507,931
Depreciation			
Beginning of year	1,221	15,527	16,748
Charge for the period	-	1,603	1,603
End of year	1,221	17,130	18,351
Net book value			
31 December 2020	487,410	2,170	489,580
31 December 2019	487,410	1,885	489,295

b) Association Property

	2020 £	2019 £
Land at Emersons Green	176,490	176,490
Manse at 3 The Hawthorns, Bussage,	300,270	300,270
Stockwood Church	10,650	10,650
	487,410	487,410

12 Investments

	2020	2019
	£	£
Market value at beginning of year	736,799	749,396
Acquisitions at cost	48,697	65,924
Sale proceeds from disposals	(48,177)	(88,428)
Gains in the period		
- Realised gains	15,727	8,423
- Net unrealised gains	(30,815)	67,156
Increase in cash balances	16,081	(65,672)
Market value as at 31 December	<u>738,312</u>	<u>736,799</u>

Investments at market value comprise:-

	2020	2019
	£	£
UK equities	157,654	192,321
UK fixed interest securities	102,982	90,899
UK other investments	132,795	120,525
Overseas equities	243,463	247,703
Cash balances - WEBTC	(28,087)	55,312
Cash balances - Charles Stanley	129,504	30,038

Wholly Owned Trading Subsidiary

	1	1
	<u>738,312</u>	<u>736,799</u>

Historical cost at 31 December

	593,278	539,160
	<u>593,278</u>	<u>539,160</u>

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

13 Programme-related investments

	Support	
	Loans	Properties
	£	£
Balance at 1 January 2020	171,038	668,648
Loan repayments	(44,117)	-
Balance at 31 December 2020	<u>126,921</u>	<u>668,648</u>
		<u>795,569</u>

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

The following properties are held currently:

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

The Manse at 1 Bishop Road in Emerson's Green currently houses a church minister. The property is being acquired by the church under the Housing for Mission scheme agreement signed during 2011, whereby a proportion of the rent is being used to acquire further equity in the property. Should this property be sold the proceeds will be shared between the Church and the Association according to the equity share. The property was originally partly acquired for a purchase price of £290,164 using Avening fund proceeds. The current church equity is 16.3% £47,368 (2019 - £47,368).

The house at 61 Sion Road was purchased after the local church was about to close, to provide a base for a new ministry to begin. The house is currently being rented from the Association by Youth with a Mission to assist with their work amongst young people in the local area.

Woodside House, Stroud shares a common boundary with the Farmhill Church was purchased during 2015 to provide a base for new missionary work within the area. It is currently rented to a Christian charity operating a drug rehabilitation centre.

14 Debtors

	2020	2019
	£	£
Prepayments	1,000	1,000
Amounts due from Subsidiary undertakings	15,022	17,071
	<u>16,022</u>	<u>18,071</u>

15 Cash at bank and in hand

	2020	2019
	£	£
HSBC Bank	13,216	18,099
CAF Cash/Gold	232,390	134,603
COIF Charity Fund	14,285	14,285
Petty cash	76	26
	<u>259,967</u>	<u>167,013</u>

16 Creditors

	2020	2019
	£	£
Amounts falling due within one year		
Other Creditors	383	6,688
Accruals and deferred income	22,984	18,455
Pension deficit liability	10,167	13,263
	<u>33,534</u>	<u>38,406</u>

17 Notes to the Cashflow Statement

A. Reconciliation of net movement in funds to net cash inflow from operating activities

	2020 £	2019 £
Statement of Financial Activities: Net movement in funds	98,617	13,713
Investment income	(19,442)	(22,997)
Depreciation	1,603	1,188
Realised movement on investments	(15,727)	(8,423)
Unrealised movement on investments	30,815	(67,156)
(Decrease)/Increase in creditors	(1,776)	12,746
(Increase)/Decrease in debtors	2,049	19,342
(Increase)/Decrease in programme related investments	44,117	(2,400)
Changes to valuation of pension fund liability	(38,088)	4,940
Net cash outflow from operating activities	102,168	(49,047)

B. Analysis of changes in cash flow during the year

	2020 £	2019 £	Change £
Cash at bank and in hand	259,967	167,013	92,954
Cash in Investment Portfolio	101,417	85,350	16,067
Cash & cash equivalents	361,384	252,363	109,021
	2019 £	2018 £	Change £
Cash at bank and in hand	167,013	118,150	48,863
Cash in Investment Portfolio	85,350	151,022	(65,672)
Cash & cash equivalents	252,363	269,172	(16,809)

Note 12

18 Statement of Funds

Current Year

	At 1 January			Other	At 31
	2020	Income	Expenditure	Movements	December
	£	£	£	& Transfers	2020
				£	£
Unrestricted					
General fund	12,252	350,425	(411,807)	102,586	53,456
Designated					
Fixed assets	302,355	-	-	285	302,640
Programme-related investments	839,686	-	-	(44,117)	795,569
Painswick	14,943	-	-	-	14,943
Partnership for Mission	76,789	31,742	(18,672)	-	89,859
Tilshead Fund	113,558	-	-	(100,000)	13,558
Pension deficit fund	(128,611)	-	-	48,255	(80,356)
Total unrestricted funds	<u>1,230,972</u>	<u>382,167</u>	<u>(430,479)</u>	<u>7,009</u>	<u>1,189,669</u>
Restricted					
Seventy-two	25,269	-	(15,020)	-	10,249
Leighterton & Culkerton	16,762	-	-	-	16,762
Stockwood Church	10,650	-	-	-	10,650
Total restricted funds	<u>52,681</u>	<u>-</u>	<u>(15,020)</u>	<u>-</u>	<u>37,661</u>
Expendable endowment					
Income fund	637,167	141,785	(2,836)	15,991	792,107
	<u>637,167</u>	<u>141,785</u>	<u>(2,836)</u>	<u>15,991</u>	<u>792,107</u>
Permanent endowment					
Avening Fund	176,290	-	-	-	176,290
Total Endowment	<u>176,290</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>176,290</u>
Total Endowment	<u>813,457</u>	<u>141,785</u>	<u>(2,836)</u>	<u>15,991</u>	<u>968,397</u>
TOTAL FUNDS	<u>2,097,110</u>	<u>523,952</u>	<u>(448,335)</u>	<u>23,000</u>	<u>2,195,727</u>

18 Statement of Funds (*continued*)

Prior Year

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

During the year the trustees have taken the opportunity to further analyse their funds as follows:

General Fund (unrestricted)

This represents the free funds of the charity which are not designated for particular purposes, following the re-distribution of the funds held by the Association.

Fixed Asset Fund (designated)

This fund exists to support the Association in funding the fixed assets it needs to carry out its charitable objects. It includes equipment, the manse at Bussage and the portion of land held at Emersons Green not held within endowment funds (see notes 18 and 19).

18 Statement of Funds (*continued*)

Programme-related Investments Fund (designated)

This fund exists to provide support to the churches and individuals within the Association, for purposes approved by the Executive of the charity. This support includes loan finance to property projects, local churches and in special cases, individuals. Interest on loans is subject to negotiation, but at a rate not greater than that charged by the Baptist Union Corporation Limited.

Ministers' Conference Account (designated)

This fund previously administered separate from the Association's accounts, is now administered in the Association's office and is used to control the finances of the annual minister's conference which is normally self funding.

Painswick Fund (designated)

This fund was created from the closure of the United Church at Painswick and represents the balance of the funds held previously from the sale of the old chapel. A new initiative to re-establish a Baptist presence is being funded from this fund.

Partnership for Mission (designated)

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

BU Pension deficit fund (designated)

In December 2016, trustees agreed to designate £50,000 as a pension reserve. In 2019, these funds were paid into the BU Pension Scheme.

Tilshead Fund (designated)

This fund has been set aside from the proceeds of the former Tilshead Baptist church to help fund outreach activity in the surrounding area in partnership with other local Baptist Churches.

Pension deficit fund (designated)

This negative fund relates to agreed payments the Association owes the Baptist Union Pension scheme over the coming years as described in note 7 above. The fund has been set aside separately such that free reserves can be shown separately to the pension catch up payments. Repayments of £10,167 were paid to the scheme during the year.

Home Mission & Other Causes Fund (restricted)

This fund occasionally receives monies (usually donations) as an agent for Home Mission on behalf of the Baptist Union of Great Britain. Donations are very occasionally received for other causes, which are passed directly on to the appropriate beneficiary.

Seventy-two (restricted)

Seventy-Two is a network and catalyst for mission across the Baptist Union of Great Britain. Webnet has taken the lead in the programme and records and manages the income and expenditure as a Restricted Fund. Income has come directly from other Associations or from the Baptist Union itself and is used to cover employment and other overheads running the programme or on specific Seventy-Two projects.

Leighterton & Culkerton (restricted)

This capital fund, held under a trust created in July 1947, exists to provide income for the Leighterton & Culkerton churches in Gloucestershire. Should the churches close the income of the fund may be used for Colportage and Evangelistic work in the surrounding villages and district.

18 Statement of Funds (continued)**Stockwood Church Fund (restricted)**

This fund represents the cost of the Stockwood Church which is governed by an ultimate trust dated June 1977. Should the church close and the premises sold, the proceeds will be shared between the Association and Bristol City Mission Society.

Income Fund (Expendable endowment)

This fund holds the charitable company's investments, all of which are held in with Charles Stanley & Co Limited. The purpose of the fund is to generate income for the on-going work of the Association. The fund is held as part of the company's reserve and all or part of it may be transferred to unrestricted funds by decision of the trustees. During 2020 further funds were added to the reserve arising from donations received from sales of three properties, two of these were received in prior years and therefore required a funds transfer. The full transfer left the General fund below its agreed minimum, so an additional transfer back has been used to restore the General Fund.

Strategic Fund (Expendable endowment)

From time to time the charitable company receives funds from the sale of previously closed churches or church related land and/or buildings. The trustees have set these funds aside as expendable endowment to hold for future re-investment in buildings or other church-related work.

Avening Fund (Permanent Endowment)

This endowment fund was created following a Charity Commission scheme following the closure of the Avening Baptist Church in 1995. The scheme restricted the use of the capital in the fund to the provision of premises of churches within the South Gloucestershire area. This is the land at Emerson's Green.

19 Assets analysed between funds**Current Year**

	Unrestricted	Restricted	Endowment	Total 2020
	£	£	£	£
Tangible Fixed assets	302,640	10,650	176,290	489,580
Programme-related investments	795,569	-	-	795,569
Investments	16,320	3,985	718,007	738,312
Net current assets	145,329	23,026	74,100	242,455
Creditors of more than one year	(70,189)	-	-	(70,189)
	<u>1,189,669</u>	<u>37,661</u>	<u>968,397</u>	<u>2,195,727</u>

Unrestricted: analysed between funds

	General	Designated	Total
	£	£	£
Tangible Fixed assets	-	302,640	302,640
Programme-related investments	-	795,569	795,569
Investments	36,410	(20,090)	16,320
Net current assets	17,046	128,283	145,329
Creditors of more than one year	-	(70,189)	(70,189)
	<u>53,456</u>	<u>1,136,213</u>	<u>1,189,669</u>

Prior Year

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

19 Assets analysed between funds (continued)**Unrestricted: analysed between funds**

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

20 Share capital

The company is limited by guarantee and therefore has no share capital.

21 Capital expenditure commitments

At the time of production of this Annual Report and Accounts no capital expenditure has been authorised.

22 Related party transactions

During the period, West of England Baptist Association was the parent company of West of England Baptist Payroll Company Limited. Jane Riches stood down as a WEBA trustee while remaining a director of the payroll company. Paul Salmons was appointed and is now the Trustee director of the payroll company.

During the year Management charges amounting to £9,000 (2019 - £9,000) towards the administrative costs were paid to the Association. The company paid a donation of £15,022 (2019: £29,000) to the charity during the year. At the balance sheet date West of England Baptist Payroll Company Limited, owed the charity £15,022 (2019 - £17,071).

The West of England Baptist Trust Company is a wholly owed subsidiary of the West of England Baptist Association. The charity administers the Association's investments on its behalf. During the year, the Association received dividends and income of £19,486 (2019: £22,185). At the year end, the company held investments of £754,416 (2019: £669,525), and the Association owed a cash amount of £28,087 to the Trust Company (2019: the Trust Company owed the Association £55,311). The Trust Company also paid the Association £9,000 (2019: £9,000) towards administrative costs during the year.

During the year donations of £nil were received from Trustees (2019 - £nil).

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

There were no other related party transactions during the year.