

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

**Report of the Trustees and**  
**Financial Statements**  
**for the Year Ended 31 December 2021**  
**for**  
**South Wales Baptist Association (BUGB)**

Griffiths Green Arnold  
Accountants & Business Advisors  
11 New Street  
Pontnewydd  
Cwmbran  
NP44 1EE

**South Wales Baptist Association (BUGB)**

**Contents of the Financial Statements  
for the Year Ended 31 December 2021**

|   | <b>Page</b> |
|---|-------------|
| <b>Report of the Trustees</b>                     | 1 to 4      |
| <b>Report of the Independent Auditors</b>         | 5 to 7      |
| <b>Statement of Financial Activities</b>          | 8           |
| <b>Balance Sheet</b>                              | 9           |
| <b>Notes to the Financial Statements</b>          | 10 to 18    |
| <b>Detailed Statement of Financial Activities</b> | 19 to 20    |

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

### **Report of the Trustees for the Year Ended 31 December 2021**

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 2021. 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 fulfill their public benefit through their normal church activities and the provision of facilities to be used by the wider community as well as the advancement of the Christian faith. The Association acts directly in a number of areas including the selection of individuals to train for ministry, the oversight of newly accredited ministers, arranging training and conferences for ministers and church leaders, involvement in the management of Chaplaincy services at the University of South Wales and engaging at a number of levels with the wider community on behalf of Baptists.

#### **ACHIEVEMENT AND PERFORMANCE**

##### **Charitable activities**

There were two staff changes during the year.

Revd Hayley Young finished work as a regional minister in July 2021. Revd Emma Mohr started work as a full-time regional minister in September 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 Momentum took place online and in small face to face gatherings and the ministers' conference took place online. The Association held an online celebration, for 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 online this year, training 224 people and in addition 3 students at Cardiff Baptist College, were trained in a face to face setting.

There were no serious safeguarding incidents to be reported in 2021.

##### **Home Mission**

Churches contributed £148,160.27 to Home Mission (the Baptist family purse), which was slightly short of the revised target of £150,000.

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

The Association awarded a number of Home Mission grants during 2021 amounting to £84,235.96. These included Mission through Ministry grants to Bethel BC (Senghenydd Project), Dinas Powys BC, The Church of the Resurrection, Tredegarville BC and York Place BC; Special Ministry grants were awarded to The Summit Centre and Sudbrook Church Plant; Two chaplaincies benefited from HM grants - The University of South Wales and Sports Chaplaincy UK for developmental work in Wales through Steve Jones.

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

### **Report of the Trustees for the Year Ended 31 December 2021**

#### **ACHIEVEMENT AND PERFORMANCE**

##### **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 Lisa Issac and David Powell to commence training for Baptist accreditation. Alex Anderson, Lesley Lawrence and Chris Tutte completed their formation and training and were enrolled as fully accredited ministers.
- 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:**

Chris Bullock to Coedpenmaen Community Church as minister in training  
Rhiannon Francis to Mount Carmel, Caerphilly  
Andy Gibbs as Chaplain to the Cardiff and Vale Health Board  
Jonnie Jones to Zion, Ebbw Vale  
Dave Llewellyn to Tabernacle, Penarth  
David Powell to High Street, Merthyr as minister in training  
James Scott to Bethany, West Cross

##### **SWBA Appointments**

Emma Mohr was appointed as full-time regional minister in September 2021.

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

An Association gathering which incorporated the Annual General Meeting was held online on 7th October 2021.

##### **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 My Lettings Limited and was occupied by tenants.

The property in Aberdare was let to a tenant and managed by My Lettings Limited.

#### **FINANCIAL REVIEW**

##### **Financial position**

The charity showed a surplus of £24,048 for the year ended 31 December 2021. There was a surplus on unrestricted reserves of £29,262 after transfers between funds and a deficit on restricted reserves of £5,214.

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

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

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

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

##### **Reserves policy**

South Wales Baptist Association is one of thirteen associations of Baptists Together in the UK. SWBA is made up of over 125 churches who are seeking to share the good news of Jesus with their local community. SWBA operates as a charity under number 1102735.

This Policy relates to South Wales Baptist Association and relates to the restricted and general funds held with the Monmouthshire Building Society, Baptist Union Corporation and Lloyds Bank.

The reserves of the Association at the end of the year were £763,500. Of the reserves, £446,968 was restricted and £316,532 was unrestricted. Included in unrestricted funds are £182,360 invested in fixed assets (property) and £19,391 in fixed asset investments. This leaves a surplus of £114,781.

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

### **Report of the Trustees for the Year Ended 31 December 2021**

#### **FINANCIAL REVIEW**

##### **Reserves policy**

##### **Why are reserves needed?**

We aim ideally to hold in reserve sufficient money in our funds identified above to cover expenditure should there be a sudden drop in income, primarily from the Home Mission grant we receive.

Expenditure includes salary payments, running costs and grants given to Baptist projects and churches.

##### **What level of reserves are needed.?**

We aim ideally to hold in reserve sufficient money in our funds identified above to cover 6 months' expenditure (as recommended by the Charity Commission).

Based on the expenditure figure of £146,450 (excluding Home Mission Grants), this gives a reserves figure of £73,225.

Should the association accounts identified above dip below the agreed reserve figure for a period beyond 6 months the Trustees should identify a financial plan.

This reserves policy shows good planning of resources and consideration of unforeseen occurrences on the financial income of the Association.

**Policy Review:** To be reviewed by the Trustees in May every 2 years or earlier if deemed appropriate.

#### **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.

#### **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), and 14 people served as trustees during 2021. Trustees 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.

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

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

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

### **Report of the Trustees for the Year Ended 31 December 2021**

#### **Trustees**

G J Miles Accountant (resigned 15.3.21)  
Rev P I Taylor Baptist Minister (resigned 7.10.21)  
G Davidson Reverend (resigned 19.7.21)  
Rev Dr G J Watts Baptist Minister  
Reverend M J Fairweather-Tall Baptist Minister  
Revd J M Davis Baptist Minister  
S Ringrose Accountant  
D L Powell Finance Officer/manager  
Rev W M Adams Baptist Minister (resigned 7.10.21)  
Revd M I Carter Baptist Minister  
Mrs A H Place (appointed 7.10.21)  
Rev C A Soble Baptist Minister (appointed 7.10.21)  
Mrs T A Vaughan (appointed 7.10.21)  
Mrs J H Weaver (appointed 7.10.21)

#### **Comment**

Cardiff Baptist College:

1) The college is a member of the South Wales Baptist Association, which rents offices in the college building.

#### **Auditors**

Griffiths Green Arnold  
Accountants & Business Advisors  
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 2021 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 2021 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 in the course of the audit:

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

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

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

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

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

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

### **Responsibilities of trustees**

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

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

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

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

Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities including fraud and non-compliance with laws and regulations we have considered the following:

- (a) The nature of the industry and sector, control environment and business performance;
- (b) Results of the enquiries of management about their own identification and assessment of the risks of irregularities;
- (c) Any matters we have identified having obtained and reviewed the company's
- (d) Documentation of their policies and procedures relating to:
  - (i) identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - (ii) detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
  - (iii) the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
  - (iv) the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas:

- (a) Timing of recognition of income
- (b) Foreign currency translation.
- (c) Value of stocks

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included UK Companies Act, , employment law, health and safety, pensions legislation and tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

Audit response to risks identified

Our procedures to respond to risks identified included the following:

- (a) Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- (b) Enquiring of management concerning actual and potential litigation and claims;
- (c) Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
- (d) In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.



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

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

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

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

### **Use of our report**

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

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

Date: .....

**South Wales Baptist Association (BUGB)**

**Statement of Financial Activities  
(Incorporating an Income and Expenditure Account)  
for the Year Ended 31 December 2021**

|                                    | Notes | Unrestricted<br>fund<br>£ | Restricted<br>funds<br>£ | 31.12.21<br>Total<br>funds<br>£ | 31.12.20<br>Total<br>funds<br>£ |
|------------------------------------|-------|---------------------------|--------------------------|---------------------------------|---------------------------------|
| <b>INCOME AND ENDOWMENTS FROM</b>  |       |                           |                          |                                 |                                 |
| Donations and legacies             |       | 1,377                     | -                        | 1,377                           | 11,029                          |
| <b>Charitable activities</b>       |       |                           |                          |                                 |                                 |
| Subscriptions                      |       | 18,141                    | -                        | 18,141                          | 14,508                          |
| Grants receivable                  |       | 190,313                   | -                        | 190,313                         | 214,999                         |
| Other incoming resources           |       | 6,488                     | -                        | 6,488                           | 2,171                           |
| Investment income                  | 2     | <u>15,631</u>             | <u>4,974</u>             | <u>20,605</u>                   | <u>12,445</u>                   |
| <b>Total</b>                       |       | <u>231,950</u>            | <u>4,974</u>             | <u>236,924</u>                  | <u>255,152</u>                  |
| <b>EXPENDITURE ON</b>              |       |                           |                          |                                 |                                 |
| <b>Charitable activities</b>       |       |                           |                          |                                 |                                 |
| Charitable Activities              |       | -                         | -                        | -                               | -                               |
| Ministry                           |       | 97,416                    | -                        | 97,416                          | 111,245                         |
| Mission                            |       | 81,956                    | -                        | 81,956                          | 127,298                         |
| Establishment                      |       | 43,794                    | -                        | 43,794                          | 45,863                          |
| Governance                         |       | 2,308                     | -                        | 2,308                           | 2,120                           |
| Manses                             |       | 2,635                     | -                        | 2,635                           | 12,656                          |
| Other                              |       | <u>(14,877)</u>           | <u>-</u>                 | <u>(14,877)</u>                 | <u>4,654</u>                    |
| <b>Total</b>                       |       | <u>213,232</u>            | <u>-</u>                 | <u>213,232</u>                  | <u>303,836</u>                  |
| Net gains/(losses) on investments  |       | <u>191</u>                | <u>165</u>               | <u>356</u>                      | <u>(710)</u>                    |
| <b>NET INCOME/(EXPENDITURE)</b>    |       | 18,909                    | 5,139                    | 24,048                          | (49,394)                        |
| <b>Transfers between funds</b>     | 11    | <u>10,353</u>             | <u>(10,353)</u>          | <u>-</u>                        | <u>-</u>                        |
| <b>Net movement in funds</b>       |       | 29,262                    | (5,214)                  | 24,048                          | (49,394)                        |
| <b>RECONCILIATION OF FUNDS</b>     |       |                           |                          |                                 |                                 |
| <b>Total funds brought forward</b> |       | <u>287,270</u>            | <u>452,182</u>           | <u>739,452</u>                  | <u>788,846</u>                  |
| <b>TOTAL FUNDS CARRIED FORWARD</b> |       | <u><u>316,532</u></u>     | <u><u>446,968</u></u>    | <u><u>763,500</u></u>           | <u><u>739,452</u></u>           |

The notes form part of these financial statements

**South Wales Baptist Association (BUGB)**

**Balance Sheet  
31 December 2021**

|  | Notes | Unrestricted<br>fund<br>£ | Restricted<br>funds<br>£ | 31.12.21<br>Total<br>funds<br>£ | 31.12.20<br>Total<br>funds<br>£ |
|--|-------|---------------------------|--------------------------|---------------------------------|---------------------------------|
| <b>FIXED ASSETS</b>                          |       |                           |                          |                                 |                                 |
| Tangible assets                              | 6     | 182,360                   | -                        | 182,360                         | 184,259                         |
| <b>Investments</b>                           |       |                           |                          |                                 |                                 |
| Investments                                  | 7     | 19,391                    | 213,678                  | 233,069                         | 230,460                         |
| Investment property                          | 8     | <u>-</u>                  | <u>114,577</u>           | <u>114,577</u>                  | <u>114,577</u>                  |
|  |       | 201,751                   | 328,255                  | 530,006                         | 529,296                         |
| <b>CURRENT ASSETS</b>                        |       |                           |                          |                                 |                                 |
| Debtors                                      | 9     | 2,211                     | -                        | 2,211                           | 2,220                           |
| Cash at bank and in hand                     |       | <u>186,157</u>            | <u>118,713</u>           | <u>304,870</u>                  | <u>310,333</u>                  |
|  |       | 188,368                   | 118,713                  | 307,081                         | 312,553                         |
| <b>CREDITORS</b>                             |       |                           |                          |                                 |                                 |
| Amounts falling due within one year          | 10    | <u>(5,287)</u>            | <u>-</u>                 | <u>(5,287)</u>                  | <u>(8,897)</u>                  |
| <b>NET CURRENT ASSETS</b>                    |       | <u>183,081</u>            | <u>118,713</u>           | <u>301,794</u>                  | <u>303,656</u>                  |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b> |       | 384,832                   | 446,968                  | 831,800                         | 832,952                         |
| <b>PENSION LIABILITY</b>                     | 12    | <u>(68,300)</u>           | <u>-</u>                 | <u>(68,300)</u>                 | <u>(93,500)</u>                 |
| <b>NET ASSETS</b>                            |       | <u>316,532</u>            | <u>446,968</u>           | <u>763,500</u>                  | <u>739,452</u>                  |
| <b>FUNDS</b>                                 | 11    |                           |                          |                                 |                                 |
| Unrestricted funds                           |       |                           |                          | 316,532                         | 287,270                         |
| Restricted funds                             |       |                           |                          | <u>446,968</u>                  | <u>452,182</u>                  |
| <b>TOTAL FUNDS</b>                           |       |                           |                          | <u>763,500</u>                  | <u>739,452</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:

.....  
D L Powell - Trustee

The notes form part of these financial statements

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

### **Notes to the Financial Statements for the Year Ended 31 December 2021**

#### **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.

Subscriptions 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

The freehold property is not depreciated as the trustees consider when taking in the residual value of the property, any depreciation would not be material.

##### **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.

**South Wales Baptist Association (BUGB)**

**Notes to the Financial Statements - continued  
for the Year Ended 31 December 2021**

**1. ACCOUNTING POLICIES - continued**

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

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.

**2. INVESTMENT INCOME**

|                          | 31.12.21             | 31.12.20             |
|--------------------------|----------------------|----------------------|
|                          | £                    | £                    |
| Rents received           | 14,045               | 7,486                |
| Deposit account interest | <u>6,560</u>         | <u>4,959</u>         |
|                          | <u><u>20,605</u></u> | <u><u>12,445</u></u> |

**3. NET INCOME/(EXPENDITURE)**

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

|  | 31.12.21            | 31.12.20            |
|--|---------------------|---------------------|
|  | £                   | £                   |
| Auditors' remuneration                                   | 1,800               | 1,800               |
| The auditing of accounts of any associate of the charity | 162                 | 175                 |
| Depreciation - owned assets                              | <u><u>1,899</u></u> | <u><u>2,879</u></u> |

**4. TRUSTEES' REMUNERATION AND BENEFITS**

There were no trustees' remuneration or other benefits for the year ended 31 December 2021 nor for the year ended 31 December 2020.

**Trustees' expenses**

There were no trustees' expenses paid for the year ended 31 December 2021 nor for the year ended 31 December 2020.

**5. STAFF COSTS**

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

|                    | 31.12.21        | 31.12.20        |
|--------------------|-----------------|-----------------|
| Regional ministers | 3               | 3               |
| Administration     | <u>1</u>        | <u>1</u>        |
|                    | <u><u>4</u></u> | <u><u>4</u></u> |

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

**South Wales Baptist Association (BUGB)**

**Notes to the Financial Statements - continued  
for the Year Ended 31 December 2021**

**6. TANGIBLE FIXED ASSETS**

|  | Freehold<br>property<br>£ | Plant and<br>machinery<br>£ | Totals<br>£    |
|--|---------------------------|-----------------------------|----------------|
| <b>COST</b>                            |                           |                             |                |
| At 1 January 2021 and 31 December 2021 | <u>180,846</u>            | <u>50,618</u>               | <u>231,464</u> |
| <b>DEPRECIATION</b>                    |                           |                             |                |
| At 1 January 2021                      | -                         | 47,205                      | 47,205         |
| Charge for year                        | <u>-</u>                  | <u>1,899</u>                | <u>1,899</u>   |
| At 31 December 2021                    | <u>-</u>                  | <u>49,104</u>               | <u>49,104</u>  |
| <b>NET BOOK VALUE</b>                  |                           |                             |                |
| At 31 December 2021                    | <u>180,846</u>            | <u>1,514</u>                | <u>182,360</u> |
| At 31 December 2020                    | <u>180,846</u>            | <u>3,413</u>                | <u>184,259</u> |

**7. FIXED ASSET INVESTMENTS**

|                       | Listed<br>investments<br>£ | Unlisted<br>investments<br>£ | Totals<br>£     |
|-----------------------|----------------------------|------------------------------|-----------------|
| <b>MARKET VALUE</b>   |                            |                              |                 |
| At 1 January 2021     | 6,153                      | 224,307                      | 230,460         |
| Additions             | -                          | 26,887                       | 26,887          |
| Disposals             | <u>-</u>                   | <u>(24,278)</u>              | <u>(24,278)</u> |
| At 31 December 2021   | <u>6,153</u>               | <u>226,916</u>               | <u>233,069</u>  |
| <b>NET BOOK VALUE</b> |                            |                              |                 |
| At 31 December 2021   | <u>6,153</u>               | <u>226,916</u>               | <u>233,069</u>  |
| At 31 December 2020   | <u>6,153</u>               | <u>224,307</u>               | <u>230,460</u>  |

There were no investment assets outside the UK.

Cost or valuation at 31 December 2021 is represented by:

|      | Listed<br>investments<br>£ | Unlisted<br>investments<br>£ | Totals<br>£    |
|------|----------------------------|------------------------------|----------------|
| Cost | <u>6,153</u>               | <u>226,916</u>               | <u>233,069</u> |

**8. INVESTMENT PROPERTY**

|   |                |
|---|----------------|
| <b>FAIR VALUE</b>                         | £              |
| At 1 January 2021<br>and 31 December 2021 | <u>114,577</u> |
| <b>NET BOOK VALUE</b>                     |                |
| At 31 December 2021                       | <u>114,577</u> |
| At 31 December 2020                       | <u>114,577</u> |

**South Wales Baptist Association (BUGB)**

**Notes to the Financial Statements - continued  
for the Year Ended 31 December 2021**

**9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

|                                | 31.12.21     | 31.12.20     |
|--------------------------------|--------------|--------------|
|                                | £            | £            |
| Prepayments and accrued income | <u>2,211</u> | <u>2,220</u> |

**10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

|                              | 31.12.21     | 31.12.20     |
|------------------------------|--------------|--------------|
|                              | £            | £            |
| Accruals and deferred income | 3,933        | 7,543        |
| Other creditor               | <u>1,354</u> | <u>1,354</u> |
|                              | <u>5,287</u> | <u>8,897</u> |

**11. MOVEMENT IN FUNDS**

|                            | At 1.1.21      | Net<br>movement<br>in funds | Transfers<br>between<br>funds | At<br>31.12.21 |
|----------------------------|----------------|-----------------------------|-------------------------------|----------------|
|                            | £              | £                           | £                             | £              |
| <b>Unrestricted funds</b>  |                |                             |                               |                |
| General fund               | 287,270        | 18,909                      | 10,353                        | 316,532        |
| <b>Restricted funds</b>    |                |                             |                               |                |
| Student Fund               | 605            | 3                           | (608)                         | -              |
| Ministers Benevolent Funds | 60,049         | 948                         | -                             | 60,997         |
| Pomeroy Street Funds       | 7,960          | 37                          | -                             | 7,997          |
| Gorseinon Funds            | 4,645          | 23                          | -                             | 4,668          |
| <br>Aberbargoed Funds      | <br>25,240     | <br>123                     | <br>-                         | <br>25,363     |
| Capel Gwilym Funds         | 684            | 3                           | -                             | 687            |
| Llanhilleth Church         | 243            | 2                           | (245)                         | -              |
| Manse Funds                | 148,919        | 1,489                       | -                             | 150,408        |
| Llandogo Monmouth Funds    | 16,919         | 2,179                       | (8,000)                       | 11,098         |
| Alexandra Rd Newport Funds |                |                             |                               |                |
|                            | 48,991         | 230                         | -                             | 49,221         |
| Pontyclun/Ely Funds        | 2,551          | 13                          | (1,500)                       | 1,064          |
| Nash Newport Funds         | 18,530         | 85                          | -                             | 18,615         |
| Ely Manse                  | <u>114,577</u> | <u>-</u>                    | <u>-</u>                      | <u>114,577</u> |
|                            | <u>452,182</u> | <u>5,139</u>                | <u>(10,353)</u>               | <u>446,968</u> |
| <b>TOTAL FUNDS</b>         | <u>739,452</u> | <u>24,048</u>               | <u>-</u>                      | <u>763,500</u> |

**South Wales Baptist Association (BUGB)**

**Notes to the Financial Statements - continued  
for the Year Ended 31 December 2021**

**11. MOVEMENT IN FUNDS - continued**

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

|                            | Incoming<br>resources<br>£ | Resources<br>expended<br>£ | Gains and<br>losses<br>£ | Movement<br>in funds<br>£ |
|----------------------------|----------------------------|----------------------------|--------------------------|---------------------------|
| <b>Unrestricted funds</b>  |                            |                            |                          |                           |
| General fund               | 231,950                    | (213,232)                  | 191                      | 18,909                    |
| <b>Restricted funds</b>    |                            |                            |                          |                           |
| Student Fund               | 3                          | -                          | -                        | 3                         |
| Ministers Benevolent Funds | 783                        | -                          | -                        | -                         |
| Ministers Benevolent Funds | 4                          | -                          | 165                      | 948                       |
| Pomeroy Street Funds       | 37                         | -                          | -                        | 37                        |
| Gorseinon Funds            | 23                         | -                          | -                        | 23                        |
| Aberbargoed Funds          | 123                        | -                          | -                        | 123                       |
| Capel Gwilym Funds         | 3                          | -                          | -                        | 3                         |
| Llanhilleth Church         | 2                          | -                          | -                        | 2                         |
| Manse Funds                | 1,489                      | -                          | -                        | 1,489                     |
| Llandogo Monmouth Funds    | 2,179                      | -                          | -                        | 2,179                     |
| Alexandra Rd Newport Funds | 230                        | -                          | -                        | 230                       |
| Pontyclun/Ely Funds        | 13                         | -                          | -                        | 13                        |
| Nash Newport Funds         | 85                         | -                          | -                        | 85                        |
|                            | <u>4,974</u>               | <u>-</u>                   | <u>165</u>               | <u>5,139</u>              |
| <b>TOTAL FUNDS</b>         | <u><u>236,924</u></u>      | <u><u>(213,232)</u></u>    | <u><u>356</u></u>        | <u><u>24,048</u></u>      |



**South Wales Baptist Association (BUGB)**

**Notes to the Financial Statements - continued  
for the Year Ended 31 December 2021**

**11. MOVEMENT IN FUNDS - continued**

**Comparatives for movement in funds**

|                            | At 1.1.20<br>£ | Net<br>movement<br>in funds<br>£ | Transfers<br>between<br>funds<br>£ | At<br>31.12.20<br>£ |
|----------------------------|----------------|----------------------------------|------------------------------------|---------------------|
| <b>Unrestricted funds</b>  |                |                                  |                                    |                     |
| General fund               | 331,888        | (52,618)                         | 8,000                              | 287,270             |
| <b>Restricted funds</b>    |                |                                  |                                    |                     |
| Student Fund               | 602            | 3                                | -                                  | 605                 |
| Ministers Benevolent Funds |                |                                  |                                    |                     |
|                            | 59,418         | 631                              | -                                  | 60,049              |
|                            |                |                                  |                                    |                     |
|                            | 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                  | 114,577        | -                                | -                                  | 114,577             |
|                            | <u>456,958</u> | <u>3,224</u>                     | <u>(8,000)</u>                     | <u>452,182</u>      |
| <b>TOTAL FUNDS</b>         | <u>788,846</u> | <u>(49,394)</u>                  | <u>-</u>                           | <u>739,452</u>      |

**South Wales Baptist Association (BUGB)**

**Notes to the Financial Statements - continued  
for the Year Ended 31 December 2021**

**11. MOVEMENT IN FUNDS - continued**

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

|                            | Incoming<br>resources<br>£ | Resources<br>expended<br>£ | Gains and<br>losses<br>£ | Movement<br>in funds<br>£ |
|----------------------------|----------------------------|----------------------------|--------------------------|---------------------------|
| <b>Unrestricted funds</b>  |                            |                            |                          |                           |
| General fund               | 251,599                    | (303,836)                  | (381)                    | (52,618)                  |
| <b>Restricted funds</b>    |                            |                            |                          |                           |
| 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>              |
| <b>TOTAL FUNDS</b>         | <u><u>255,152</u></u>      | <u><u>(303,836)</u></u>    | <u><u>(710)</u></u>      | <u><u>(49,394)</u></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.

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

### **Notes to the Financial Statements - continued for the Year Ended 31 December 2021**

#### **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 were a defined benefit pension of one eightieth of Final Minimum Pensionable Income for each year of Pensionable Service, together with additional pension in respect of premiums paid on Pensionable Income in excess of Minimum Pensionable Income. The Scheme, previously known as the Baptist Ministers' Pension Fund, started in 1925, but was closed to future accrual of defined benefits on 31 December 2011.

Actuarial valuation as at 31 December 2016

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

The valuation of the DB Plan revealed a deficit of assets compared with the value of liabilities of £68.3 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 2021**

**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 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 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 £68,300

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 2021.

**South Wales Baptist Association (BUGB)**

**Detailed Statement of Financial Activities  
for the Year Ended 31 December 2021**

|   | 31.12.21<br>£  | 31.12.20<br>£  |
|---|----------------|----------------|
| <b>INCOME AND ENDOWMENTS</b>                |                |                |
| <b>Donations and legacies</b>               |                |                |
| Proceeds from sale of Churches              | -              | 10,709         |
| Donations                                   | <u>1,377</u>   | <u>320</u>     |
|   | 1,377          | 11,029         |
| <b>Investment income</b>                    |                |                |
| Rents received                              | 14,045         | 7,486          |
| Deposit account interest                    | <u>6,560</u>   | <u>4,959</u>   |
|   | 20,605         | 12,445         |
| <b>Charitable activities</b>                |                |                |
| Subscriptions                               | 18,141         | 14,508         |
| Grants                                      | 190,313        | 214,999        |
| Other incoming resources                    | <u>6,488</u>   | <u>2,171</u>   |
|   | <u>214,942</u> | <u>231,678</u> |
| <b>Total incoming resources</b>             | 236,924        | 255,152        |
| <b>EXPENDITURE</b>                          |                |                |
| <b>Charitable activities</b>                |                |                |
| Wages                                       | 87,038         | 89,483         |
| Social security                             | 3,522          | 3,374          |
| Pensions                                    | 9,821          | 9,341          |
| Insurance                                   | 1,574          | 3,127          |
| Telephone                                   | 1,761          | 1,967          |
| Sundries                                    | 4,468          | 6,485          |
| Maintenance                                 | 360            | 6,023          |
| Office costs                                | 3,969          | 3,428          |
| Computer costs                              | 267            | 3,426          |
| Ministerial Recognition                     | -              | 424            |
| Mission Grants                              | 86,659         | 102,294        |
| Benevolent Fund                             | 900            | 58             |
| Subscriptions                               | 996            | 964            |
| Premises                                    | 11,653         | 28,823         |
| Training                                    | 454            | 3,835          |
| Ministers' Conferences                      | 667            | 6,556          |
| Travel/Accommodation                        | 2,145          | 2,553          |
| Housing Allowances                          | 12,283         | 11,251         |
| Ministerial support                         | -              | 669            |
| Cytun                                       | (5,000)        | 5,000          |
| Bridgend Methodist                          | -              | 5,000          |
| Plant and machinery                         | 1,899          | 2,879          |
| Bank charges                                | <u>365</u>     | <u>102</u>     |
|   | 225,801        | 297,062        |
| <b>Other</b>                                |                |                |
| Expenditure to reduce staff pension deficit | (14,877)       | -              |
| Carried forward                             | (14,877)       | -              |

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 2021**

|   | 31.12.21<br>£        | 31.12.20<br>£          |
|---|----------------------|------------------------|
| <b>Other</b>  |                      |                        |
| Brought forward   | (14,877)             | -                      |
| Interest cost and change in pension liability           | <u>-</u>             | <u>4,654</u>           |
|   | (14,877)             | 4,654                  |
| <b>Support costs</b>                                    |                      |                        |
| <b>Governance costs</b>                                 |                      |                        |
| Auditors' remuneration                                  | 1,800                | 1,800                  |
| Auditors' remuneration for non audit work               | 162                  | 175                    |
| Meeting costs   | <u>346</u>           | <u>145</u>             |
|   | <u>2,308</u>         | <u>2,120</u>           |
| Total resources expended                                | <u>213,232</u>       | <u>303,836</u>         |
| <b>Net income/(expenditure) before gains and losses</b> | 23,692               | (48,684)               |
| <b>Realised recognised gains and losses</b>             |                      |                        |
| Realised gains/(losses) on fixed asset investments      | <u>356</u>           | <u>(710)</u>           |
| <b>Net income/(expenditure)</b>                         | <u><u>24,048</u></u> | <u><u>(49,394)</u></u> |