

REGISTERED COMPANY NUMBER: 06501705 (England and Wales)
REGISTERED CHARITY NUMBER: 1124938

REPORT OF THE TRUSTEES AND
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022
FOR
SOUTH WEST BAPTIST ASSOCIATION

Barretts
Chartered Accountants &
Chartered Tax Advisers
22 Union Street
Newton Abbot
Devon
TQ12 2JS

SOUTH WEST BAPTIST ASSOCIATION

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for the Year Ended 31 December 2022

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SOUTH WEST BAPTIST ASSOCIATION

REPORT OF THE TRUSTEES for the Year Ended 31 December 2022

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 2022. 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).

SOUTH WEST BAPTIST ASSOCIATION

REPORT OF THE TRUSTEES

for the Year Ended 31 December 2022

OBJECTIVES AND ACTIVITIES

Objectives and aims

Our Objectives

The objects of the South West Baptist Association (SWBA) are defined in our governing document. The Association's objects ("the Objects") are the advancement of the Christian faith, especially by means 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 (BUGB).

This three-part "Declaration of Principle" forms the basis of understanding for all who belong to the Baptist Union. It was introduced in 1873 with the intent of holding in union Baptists with widely different theological understandings and progressively refined (1904, 1906, and 1938). It is rooted in Jesus' Great Commission (Matthew 28:18-20) with its threefold pattern of authority, baptism, and mission. The first clause of the Declaration focuses on the absolute authority of Jesus Christ, with clause two on baptism into the life of God. Clause three is all about the mission.

SWBA is one of thirteen Associations within BUGB and has a geographical-based focus in the South West of England specifically in Cornwall, Devon, South Somerset, and West Dorset. Within this area, the Association seeks to serve the local member churches, pioneers, and chaplains within the Baptist Family as they seek to grow healthy churches in relationship to God's mission.

Our Aims

It follows, therefore, that we aim to support the local churches in their mission

To enable this, the Trustees have identified three distinct areas that help ensure the focus of our activity and resources are consistently applied. We aim to be:

Responsive

Responding to the needs of our member churches as effectively and efficiently as possible, we seek to facilitate, support and enable their work by walking alongside them, their ministers, and their leadership teams.

Strategic

Working on and/or supporting projects that can best be approached by the Association, Sub Committees of churches, or denominations coming together.

Prophetic

Seeking to hear what God is saying and speaking a word in season; provoking and challenging our member churches to move on from where they are; seeking to develop and bring on church leaders in their ministry; seeking to inspire and encourage churches and leaders in their ministry and mission; encouraging churches to feel part of a wider family.

Therefore, our ongoing aims are to:

- ¢ Continue our wide-ranging work amongst Association churches, encouraging and supporting them in their work, assisting where challenges and difficulties arise, advising and enabling them to develop and clarify their vision and direction, and resourcing and equipping them where possible to achieve their vision and goals.
- ¢ Continue our involvement in a range of projects which are strategically best undertaken by us rather than a local church, and/or with other Baptist or ecumenical partners.
- ¢ Positively and proactively participate in national Baptist life, promoting and encouraging a sense of Baptist identity and belonging, and working collaboratively with other Associations and the staff at Baptist House, where this will enable more efficient working and better achieve our objectives of supporting and resourcing our member churches.
- ¢ Provide a range of inspirational, challenging, and informative events to encourage, resource, and equip our churches and ministers.
- ¢ Continue to build a sense of wider community amongst the Association churches.

Family Matters

Locally

SOUTH WEST BAPTIST ASSOCIATION

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Within this framework, it is recognised that the nature of SWBA's role in offering support and help to churches and ministers in times of difficulty means that the workload in any year can be variable and unpredictable. Ongoing general objectives must, where necessary, be paused or adapted as significant needs arise. Our Staff Team puts large amounts of time and energy into offering bespoke support when crises arise, and the Trustees have agreed that these times of crisis must take high priority. Above all, SWBA's Staff Team should be available to give support wherever it is needed, in situations that, by their very nature, are unpredictable.

In 2022 as we continued to emerge from COVID, the Senior Staff Team found themselves continuing to give a high level of Pastoral support to the local churches and adjusting to the 'new norm' as churches sought to adapt to the challenges and changes of the previous two years. Part of this adaption was the exploring of Digital Mission, resourcing and equipping our churches to embrace digital platforms as a continuing way to reach people in their locality. On 24th March 2022, we held our first SWBA Gathering, where 27 people involved in voluntary roles across the Association joined the staff team and Trustees to spend time exploring the needs of our Association. From that meeting came the recognition of the need to further resource the Children, Youth and Family (CYF) work within the Association. On 16th January 2023, Glenda Chadwick-Down joined SWBA as our first CYF worker part-time. Throughout 2022 SWBA's Staff Team & Trustees have sought hard to give that high level of support to our member churches, and the addition of a Partnership Safeguarding Lead and Children, Youth and Families worker pays tribute to the resources the Association can deliver in seeking to meet its primary objectives of advancing the Christian Faith.

Regional and National Relationships in Baptists Together

As well as supporting the local Baptist Family, we also work in close cooperation with our Partnership Associations. These are the West of England Association, Southern Counties Association, and South Wales Association. The Partnership is an informal Sub Committee with no legal status but facilitates collaborative working in certain areas.

Areas in which we sought to work collaboratively as a Partnership in 2022 include Ministerial recognition; Home Mission grants; Home Mission promotion; Mentoring and training of mentors for Newly Accredited Ministers (NAMs); and National Relationships. Through this Partnership, we appointed a Safeguarding Lead. On 1st February 2022, we were joined by Kath Needham. Kath works one day a week for three of the four Partnership Associations, namely the West of England Baptist Association (Webnet) and South Wales Baptist Association (SWaBA) and ourselves, who also take on the employment responsibilities of her role. We continue to value our relationships with the wider Baptist family and proactively and positively contribute wherever possible. We have a growing relationship with Bristol Baptist College as our nearest Baptist college, with staff leading occasional teaching sessions at the college.

In 2022 Nigel Manges attended the Baptist National Settlement Team, Carl Smethurst attended the National Mission Forum, and several other mission-related Sub Committees and networks. Both Nigel and Carl are involved with the Core Leadership Team (CLT), which is the body that draws together leaders from across Baptist Together, not as representatives of any constituency but to seek and enable leadership for the whole Baptist movement. The CLT then gives feedback to Council meetings with a report circulated in advance, and the opportunity for questions, discussion and discernment at the Council meeting is held. CLT is accountable to the Trustees of BUGB, who in turn are accountable to the Baptist Union Council. As an Association, we have three representative places on Baptist Union Council, which meets twice a year at Swanwick

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for the Year Ended 31 December 2022

OBJECTIVES AND ACTIVITIES

Public benefit

The Trustees have complied with their duty in the Charities Act 2011 by having referred to the public benefit guidance published by the Charity Commission.

Our main beneficiaries are the Baptist Churches in our geographical area, which are independent charities. Much of this section and the "Achievements and Performance" section explain the help and support that SWBA gives to the churches, especially the list of services provided. These all aim to help the churches better fulfil their aims and objectives. No charges are normally made for any of the SWBA services.

The trustees consider that in addition to the advancement of religion and the provision of regular public acts of worship, the member churches of SWBA deliver various activities that have benefited the community well beyond the local church fellowships themselves. This includes youth and children's activities, work with the elderly, the homeless, those in poverty, and other needy groups in society. This extends to developing models of caring, good citizenship, and neighbourliness, creating an environment where everyone is valued and listened to, and offering opportunities for people to volunteer and engage in projects for the benefit of others and to discover and develop their potential. The work of our churches is supported and enabled by SWBA through advising, encouragement, sharing of ideas and best practices, support through times of difficulty and conflict, providing training and resources, and a network for communication.

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for the Year Ended 31 December 2022

ACHIEVEMENT AND PERFORMANCE

SWBA activities in 2022

Despite the challenge of COVID and the impact this had on churches the SWBA Team has maintained a comprehensive programme of activity along with several new initiatives in response to the needs of our member churches and the communities they serve.

This response has also spilled into other areas of the Baptist Family through our Partnership Sub Committee and at a national level through established communication channels and meetings. The following reports from our Regional Ministers give testimony to the activities undertaken in 2022.

Ministry - Rev Nigel Manges

It has a year of supporting Ministers and churches as they re-engage post Covid and Rev Nigel Manges continued to facilitate the updating of the Safeguarding and Data protection policies for the SWBA. The role has also included helping with management of the office and dealing with day-to-day enquiries from churches and ministers such as HR, employment, trust advice, where to get legal support, finance and constitutionally clarity (this list is not exhaustive). Nigel Manges has also archived all closed church files (60+) so we can fulfil out data protection policies. The archives have been sent to the appropriate county archive centres.

The primary role of Ministry support has been fulfilling our objectives being Responsive, Prophetic and Strategic.

This means to be available to give support wherever it is needed, in situations that by their very nature are unpredictable. This has been a busy year supporting ministers and churches and has involved:

- " Breakdown in relationships between ministers and leadership teams /and or church
- " Serious divisions or issues within a church to the point where it cannot move forward until some resolution is found
- " Serious safeguarding allegations or issues
- " Ministerial disciplinary
- " A personal crisis within a minister's life - sudden bereavement, illness, or other family crisis
- " Mental health issues experienced amongst ministers
- " General Pastoral support and encouragement
- " Misconduct of someone in church leadership
- " Leadership training for church leadership teams
- " Financial challenges which may lead to major questions about the church's future and changes that may be needed

We have continued to respond to be strategic and prophetic

Baptist Union

Nigel Manges and Carl Smethurst continue to represent the SWBA on the Baptist Union Council and at Core Leadership Meetings. Nigel Manges also represents the SWBA at the Regional Team Leaders and Settlement meetings.

University Engagement

A relationship has been built up with Plymouth University in helping to deliver a module for the Medical Students. In 2022 this was looking at racism and how to build relationships in the community with church programmes. At the end of the year a new project was started looking at the relationship with church (particularly with Rural) and the NHS. The object being: is there scope for a partnership to enable facilities that can be used for Mental health hubs, Pre-post and Post- Natal centres, mobile GP units, addiction clinics etc

Church Closures and developments

Through the year we have seen church closures, and we have sought to support them through the legal and trust issues as well as giving 'palliative' pastoral care as they close. Where we see a strategic value in a church we have explored other possibilities of a new ministry. We have also supported churches who are seeking to develop or repurpose their buildings.

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Cluster Ministers

The Association is divided into several areas, and we have now appointed two ministers to most of these areas as 'Cluster Ministers'. Their role is to offer local support and pastoral care, coordinate regular meetings and to strategically look at how they might support and encourage ministry in their areas. Their work has been invaluable and we have been exploring how to develop the role and the number of cluster ministers.

Continued Ministerial Development

We have continued to encourage, resource, and oversee this national initiative. As a Partnership with three other Associations, we have provided training for peer mentors. We also have been helping in conducting 360 reviews and mentoring.

Justice Sub Committee

A Justice Sub Committee continues to resource churches to look at various Justice issues that are facing churches and society. A web page has been created to enable simple access to these resources Justice Hub - South West Baptist Association (swbaptists.org.uk) This Sub Committee is made up of ministers from around the Association.

Ministerial Recognition Committee

Nigel Manges is SWBA's representative on the Partnership (Webnet, SWABA, SCBA and SWBA) Ministerial recognition Committee and he is responsible for supporting with those from the Association who are considering ministry and coordinating the interview process. In 2022 four people started to journey to explore ministry.

Ministry Sub Committee

Underpinning all this work is a Ministry Sub Committee which included Trustees and Ministers who act as an accountability Sub Committee as well as enabling a reflection on current issues for churches and ministers. This Sub Committee meet 4-5 times a year and is a great support to the Association.

Safeguarding

We have appointed Kath Needham as our safeguarding officer and her gifts and wisdom have been appreciated. This is a joint venture with WebNet and South Wales Baptist Association with SWBA taking responsibility for employment and appraisal.

Taunton School

The Association has a responsibility on the board of Governors for Taunton School (a Free Church Foundation school). Nigel Manges has served on this board; it has been a good year with the school achieving well both academically and in sports. They have also started a major project to build an international school centre. Support has also been given to the school chaplain who was appointed by the Church Advisory Panel of which Nigel Manges chairs.

Ministry Hopes and Aspirations for 2023

¢ To continue to Develop the role of Cluster Ministers to; triage pastoral situations, offer support locally, develop a strategy that enables churches to 'associate' better and be an added resource to support the regional team.

¢ To enable churches to be more aware of our Justice Group and webpages.

¢ To support churches and ministers as they navigate the same sex issue and accreditation.

¢ Nigel Manges is working with the Baptist Union Ministry department to review the settlement system and bring improvements to enable churches and ministers to engage more successfully.

¢ Continue to work with the Plymouth University Medical Department and work on a health-related project that would benefit our churches and the community.

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ø Employ a Company Secretary to replace the administration role that Nigel Manges has been temporarily doing.

ø Expand the diversity and number of members on the Ministry sub-committee.

Mission - Rev Carl Smethurst

Developing our support of children, youth & family workers in our network

In 2022 we recruited a qualified and experienced SWBA CYF Mission Enabler from amongst a high-quality field of applicants. She began working for the Association in January 2023 and her focus will be to network together and support existing CYF workers within the SWBA, and to work alongside churches who wish to engage in CYF work but who require training and ongoing support to do so.

We also held a Children & Family Resource Evening in March 2022, a recording of which can be seen here - <https://youtu.be/jNyGf-rQt4>

Encouraging our established churches in their mission as they emerge from the COVID pandemic

In April 2022 we organised a four day, multi-event visit of Ken Benjamin, Director of Church Relationships with the London Institute for Contemporary Christianity. This was well received with feedback from our member churches being very positive and several evidencing their ongoing engagement with the training material presented. For an example of this training, please see <https://youtu.be/2fg2RK5KNzQ>

Developing the production of digital content that will resource our established network of churches and beyond

We continued our journey into this new and upcoming area of missional ministry over 2022 through webinars (e.g. Optimising Social Media Platforms for Churches - <https://youtu.be/waIagc61PqU>), ecumenical teaching content for churches across the South West of England (e.g. Week of Prayer for Christian Unity Reflection - <https://youtu.be/GAJsCNtPkCg>), and sharing the stories of those involved in missional ministry within the SWBA (e.g. Minister on the Move - <https://youtu.be/8S-g09dFO3k>)

Re-establishing the SWBA Home Mission Community

In 2022 we re-engaged in person with those who we support through mission grants following a period of reduced contact over the period of the COVID pandemic. We also engaged in training with this Sub Committee and networking with others from across our Partner Associations who are also supported by Home Mission grants. See the Home Mission Community training from 2022 here - <https://youtu.be/HyB4C2eunzk>

Developing a new role for SWBA Learning Community Coordinator to oversee our growing training programme

In Summer 2022 we advertised a new part-time post for a Learning Community Coordinator and successfully recruited to this role in Autumn 2022. He began work on a voluntary basis towards the end of the year, while we sought clearance from the Charity Commission, with a focus on pulling together our existing training courses (Prepare - Feed - Sustain, Crucible) but also to begin to develop training for the Continuing Ministerial Development of our Ministers in the SWBA. We look forward to beginning to see the fruits of this new appointment later in 2023.

Producing digital content aimed at younger adults within the South West Baptist Association and beyond

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In 2021 we began to work more closely with The Fuelcast, a Christian film production company based in the West of England. In 2022 our aim was to begin to film content for a mini-documentary series on topics that are especially relevant to younger adults, and which might engage them in the Christian story. Our aspiration is to seek to hear what God is saying and speak a relevant 'word in season', as stated in the 'prophetic' element of our Association purposes. Filming proved difficult in 2022, primarily due to the lack of availability of key contributors to these films, but work did begin on forming a creative production team under the banner of 'Change Makers' and with the expertise of this team the first of these documentaries is scheduled for release in 2023, alongside a bespoke website and teaching resources to encourage others in churches to use film as a media to inspire change in their local communities.

Mission Hopes and Aspirations for 2023

- " Create training opportunities to encourage and inspire our smaller churches in the SWBA.
- " Further explore how the digital world might enable and resource those seeking faith in the South West and beyond.
- " Network, inspire and encourage those with creative gifts in the South West, and explore the possibility of collaborative working between those in our Association in the future.
- " Begin to build a network of Children, Youth & Families workers across the SWBA and start to engage with those member churches who wish to explore working more with this younger demographic.
- " Develop our training resources for those within our churches, including the Continuing Ministerial Development of our church leaders.
- " Build our community of pioneers across the Association though regularly meeting together and encouraging a learning community to encourage and resource those engaged in this form of missional ministry.

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FINANCIAL REVIEW

The accounts show a deficit for the year of £21,985 (2021: surplus £265,857). This change in performance has several significant reasons. First of all, our share of the Home Mission donations received from the churches across the country decreased by £40,409. Church giving across the country reduced by a modest amount but the main reason for the reduction was a large decrease in legacies notified to the Baptist Union. This fall in Home Mission income was partially offset by one off donations from closed churches of £31,625. Reported expenditure fell by £10,470 but this was after allowing for a pension reduction of £50,589 so really the expenditure increased by £40,119. This was due to increases in most areas of expenditure as our activity picked up after covid challenges and an increase in Home Mission grants and internship support. The pension benefit arose due to the "buy out" of the pension liability as explained in note 16. We also experienced a net reduction in the share portfolio valuation of £65,272, compared with a surplus in 2021 of £95,785, due to a decline in the markets from the year end in 2021 to 2022. The 2021 accounts also reported an increase in property valuations of £164,252 while there was no reported increase in 2022.

A five-year budget model has been developed for the Board to demonstrate the financial viability of running this planned deficit over several years. Budgets for future years show the charity operating at an annual deficit of more than £50,000 each year for the next five years. It receives regular income through its home mission grants so it only seeks to maintain liquid reserves of around £50,000 which represents approximately two months of expenditure. We then need to make timely withdrawals from our investment portfolio to cover our annual budgeted deficit. At the year-end, £132,105 was held in unrestricted cash funds with other debtors only £120. Creditors, which was largely a Home Mission clawback suffered in February and March were £42,537. This creates current assets of £84,230 which is greater than our cash holding policy but insufficient to cover the impact of the planned 2023 deficit which means we expect to need to draw down from our investment portfolio during the coming year. While these contribute to the income of the Association the Trustees are considering how to allocate some of these funds so that they are available for other mission property investments but allowing for the anticipated future falling home mission income.

Reserves policy and practice

The reserves reported in the balance sheet are £2,583,801 (2021: £2,605,786). This includes a property reserve of £131,049 which is invested in a staff member's home. After allowing for a bank balance of £5,218 in the Stronger Together Mission Fund, the balance of funds as set out in note 14, of £2,447,534 are unrestricted. This is after removing the pension reserve which is no longer required as reported in note 16. However these reserves are not all available to be spent. £873,951 represents the charity office and two properties provided for the occupation of the regional ministers, after allowing for the restricted reserve which was also used to purchase a minister's home. We also own an additional property which was valued at £235,000 which is rented to a church who are members of the Association.

This leaves an unrestricted general fund of £1,502,835. This includes a property currently valued at £375,000 let on a short-term tenancy arrangement which contributes to the income of the Association. The netbook value of a motor vehicle and office fixtures and equipment is £20,283 and we have loans to churches repayable in up to 10 years of £204,381. If these are excluded, and after allowing for the cash balances reported above then the charity has investments of £654,569 of free reserves which enables the charity to proceed with deficit budgets over the next 5 years.

PLANS FOR THE COMING YEAR - 2023

Some key Hopes and Aspirations for 2022 are in the Ministry and Mission reports above. The Trustees are encouraged that despite significant challenges over the last two years, the work of the Association has been able to grow and develop its ministry and mission focus. Our training events for Trustees and Treasurers in 2022 were well received, and we hope to repeat these later in 2023 with the aim of helping them with an ever-changing sea of governance and resource management. The desire is that helping to support strong governance in our member churches this will, in turn, support and grow healthy ministry and mission. We are also running a number of Listening days in 2023 to help our churches listen to each other and the wider Baptist family in connection with the consultation process on Marriage and Accredited Ministry. Other training events are and will continue to be provided by the extended team to help our churches and ministers in their ministry and mission outreach.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

As mentioned above the Association is one of thirteen within the Baptist Union of Great Britain. SWBA is governed by its own Memorandum & Articles of Association and has its Board of Trustees which includes up to three senior Staff Members. As a membership body, the primary focus is to seek to serve our member churches within the South West ensuring we are listening to their needs in fulfilling their mission.

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REPORT OF THE TRUSTEES

for the Year Ended 31 December 2022

STRUCTURE, GOVERNANCE AND MANAGEMENT

Induction and Training of Trustees

New trustees are provided with an induction session and induction pack which includes a copy of CC3 The Essential Trustee, and a document setting out SWBA's expectations of its trustees. Where the trustee holds a particular role or office, a written role description for that role or office is also provided. Trustee refresher training is provided from time to time where the whole Board revisits the key tenets of charity trusteeship, the structures, and personnel of SWBA, and the role of the SWBA Board of Trustees.

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STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure and how decisions are made

The Board of Trustees understand their role to be broadly defined as follows:

1. Setting and maintaining vision, mission, and values, developing short, medium, and long-term strategy, reviewing, and assessing whether goals are being achieved.
2. Working with, supporting, and overseeing the work of the Regional Team, delegating to them responsibility for day-to-day management.
3. Managing funds and assets responsibly, ensuring the Association remains solvent, ensuring funds are used and applied according to our charitable purposes, and managing resources to maximise potential.
4. Ensuring compliance with charity law and other relevant legislation, ensuring appropriate policies are in place and adhered to, and that accounts and annual reports are published in accordance with approved guidelines
5. Making careful decisions, listening to the views of the wider constituency as far as possible, and taking outside professional advice where appropriate

The serving Staff Leadership Team in 2022 was Rev Nigel Manges, Regional Minister-Ministry and Rev Carl Smethurst, Regional Minister-Mission. On 31st March 2021, Chris Fry left the Association to take up the role of minister in one of the member churches in the region. The Association employed her for many years, and we miss her contribution. Recognising her calling and training to ministry and the likelihood of leaving, the Trustees had, in 2021, reviewed both the Safeguarding requirements and the Administrative and Operational services needed. In August 2022, a new post for an Association Secretary was advertised. Although there were no applications at the time, further advertising has resulted in the appointment of a person to this role from May 2023. This will greatly assist the growing needs of the Trustees in their role to support the Staff Team and provide dedicated support to the governing requirements of the Association and its membership. The Association continually reviews how best to support and enable the Association members. We are grateful to Rev Nigel Manges for stepping in and covering this area during the interim period so admirably.

The Chairman, Vice Chair and Honorary Treasurer are nominated by the Board and elected by the AGM for a term of three years. Other places on the Board (up to an additional twelve Trustees) are nominated by the Board or by any member church. Nominees are elected at the AGM for a term of three years. There are no external or additional persons or bodies who are entitled to appoint Trustees. At the AGM on 16th June 2021, Mike Law retired as Chair of Trustees (Moderator) and Steve Dengate was elected to serve in this role. Mike Law has served SWBA as Chair for many years and we are grateful for his years of sacrificial service both in supporting the Staff Team and in leading the Board over this time. Mike continued to serve until the 2022 AGM, when he retired fully as a Trustee.

The Board has three Sub Committees that oversee specific areas of work. The Support Services Sub Committee oversees matters relating to Association properties, finance, safeguarding, office operations, and HR. The Ministry Sub Committee focuses on matters relating to ministry, accreditation, pastoral care, newly accredited ministers, and safeguarding. The Mission Sub Committee oversees all aspects of the mission, including Home Mission grants, pioneers and pioneering work, and church planting. Each Sub Committee then reports to the full Board on key matters discussed and decisions are taken. Each of the members of the staff leadership team is accountable to their Sub Committee, this being a positive and supportive accountability oversight.

Significant decisions of policy or strategy, or decisions with significant financial implications, remain the responsibility of the full Board, with the day-to-day work of the Association being delegated to the staff team. Members of the Staff Leadership Team prepare a report on their current work for each Board meeting and are directly accountable to the Board and the Sub Committees.

Once a year, all member churches are invited to a general meeting (AGM) where reports are given on the progress and activities undertaken by the Association. This is an opportunity for members to raise questions and give input to the work of the Association. New churches wishing to join the Association are presented to the existing members at this meeting, along with a report from the Trustees and confirmation that BUGB is also happy to receive the church into membership at the same time.

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STRUCTURE, GOVERNANCE AND MANAGEMENT

Election and retiral of Trustees also occur at the AGM; people who are in membership at one of the Association churches may express an interest in becoming a Trustee. A discerning process occurs over a period of several months, and following any appropriate due diligence the person will be co-opted onto the Board in the intervening period between then and the next AGM when they will formerly be elected by the membership. Member churches have an opportunity also to raise matters and make decisions under the Association Byelaws.

Risk management

The Trustees review annually their Risk Assessment document, which sets out those risks that have been identified as having a potentially significant impact on the ability of the Association to meet its aims and objectives. These include loss of key personnel, loss of data and records, and financial fluctuations. The document assesses each risk in terms of significance and likelihood and then identifies steps to be taken to mitigate these risks as far as possible. The Risk Assessment document was reviewed by the Trustees in March 2023. The Support Services Sub Committee is responsible for monitoring during the review periods and for bringing to the Trustees' attention any significant risks that might emerge during this period. As part of this process, the way we manage the investment portfolio was reviewed during the year. A competitive tendering process was undertaken to compare the service provided by Irvines IFA service with three investment fund managers. Considering the financial performance and responsible investing requirements of the Association Quilter Cheviot Investment Managers were appointed, and the whole of the portfolio was moved into their Climate Asset Fund. Their performance compared with suitable benchmarks will be reviewed in 2023.

Chief Executive Officer and other Senior Staff

SWBA has no Chief Executive Officer but operates a shared leadership system where leadership is shared equally between the Senior Staff Leadership Team, with each team member acting as "team leader" in their designated areas, and any of them are authorised to speak on behalf of the Association in external context in their area. Members of the Senior Staff Leadership Team are line-managed by the Chair of Trustees.

The Staff Leadership team are Revd N Manges (Regional Minister: Ministry) and Revd Carl Smethurst (Regional Minister: Mission).

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

06501705 (England and Wales)

Registered Charity number

1124938

Registered office

Wonford Baptist Chapel
36-38 Wonford Street
Exeter
EX2 5DL

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for the Year Ended 31 December 2022

Trustees

M Law (resigned 3.7.22)

I Freeland (appointed 3.7.22)

R Dymond

R P Carne Treasurer

Revd N C Manges Regional Minister-Ministry

Revd C Smethurst Regional Minister-Mission

Revd J A Henley

Revd E A Pearce

S P Dengate Chair of Trustees

A C Male

Chief executive Officer and other Senior Staff

SWBA has no Chief Executive Officer but operates a shared leadership system where leadership is shared equally between the members of the Staff Leadership Team, with each team member acting as "team leader" in their designated areas, and any of the three are authorised to speak on behalf of the Association in external contexts. Members of the Staff Leadership Team are line-managed by the Chair of Trustees.

The Staff Leadership team are Revd N Manges (Regional Minister : Ministry) and Revd Carl Smethurst (Regional Minister :Mission).

Independent Examiner

Ian Barrett

Barretts

Chartered Accountants &

Chartered Tax Advisers

22 Union Street

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Solicitors

Clarke Willmott,

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Advisers

Insurance- Fidelius Insurance Services, 1 Emperor Way, Exeter EX1 3QS

Investments-Irvine Financial services Ltd, Bridgewater House, The Square, Barnstaple EX32 8LS

Property- AMA Chartered Surveyors, Midtrees, The Green, Hambridge, Langport, Somerset TA10 0AT

- Baptist union Corporation Ltd, Baptist House, PO Box 44, 129 Broadway, Didcot OX11 8RT

Bankers- CAF Bank, 25 Kings Hill Avenue, Kings Hill, West Malling, Kent ME19 4JQ

Approved by order of the board of trustees on 26 April 2023 and signed on its behalf by:

S P Dengate - Trustee

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF
SOUTH WEST BAPTIST ASSOCIATION

Independent examiner's report to the trustees of South West 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 2022.

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 your charity's gross income exceeded £250,000 your examiner must be a member of a listed body. I can confirm that I am qualified to undertake the examination because I am a member of the ****ERROR - relevant professional body must be completed****, 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.

Ian Barrett

Barretts
Chartered Accountants &
Chartered Tax Advisers
22 Union Street
Newton Abbot
Devon
TQ12 2JS

16 May 2023

SOUTH WEST BAPTIST ASSOCIATION

STATEMENT OF FINANCIAL ACTIVITIES

(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)

for the Year Ended 31 December 2022

	Notes	Unrestricted funds £	Restricted funds £	2022 Total funds £	2021 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies		239,579	1,945	241,524	229,647
Investment income	2	27,143	-	27,143	19,139
Other income		12,501	-	12,501	5,385
Total		279,223	1,945	281,168	254,171
EXPENDITURE ON					
Charitable activities					
Association activities		230,134	-	230,134	240,595
Other		7,747	-	7,747	7,756
Total		237,881	-	237,881	248,351
Net gains/(losses) on investments		(65,272)	-	(65,272)	95,785
NET INCOME/(EXPENDITURE)		(23,930)	1,945	(21,985)	101,605
Other recognised gains/(losses)					
Gains on revaluation of fixed assets		-	-	-	164,252
Net movement in funds		(23,930)	1,945	(21,985)	265,857
RECONCILIATION OF FUNDS					
Total funds brought forward		2,471,464	134,322	2,605,786	2,339,929
TOTAL FUNDS CARRIED FORWARD		2,447,534	136,267	2,583,801	2,605,786

The notes form part of these financial statements

SOUTH WEST BAPTIST ASSOCIATION

BALANCE SHEET

31 December 2022

	Notes	Unrestricted funds £	Restricted funds £	2022 Total funds £	2021 Total funds £
FIXED ASSETS					
Tangible assets	8	1,129,234	131,049	1,260,283	1,266,330
Investments					
Investments	9	654,569	-	654,569	722,617
Investment property	10	375,000	-	375,000	375,000
		<u>2,158,803</u>	<u>131,049</u>	<u>2,289,852</u>	<u>2,363,947</u>
CURRENT ASSETS					
Debtors	11	204,381	-	204,381	252,930
Cash at bank		<u>126,887</u>	<u>5,218</u>	<u>132,105</u>	<u>66,104</u>
		<u>331,268</u>	<u>5,218</u>	<u>336,486</u>	<u>319,034</u>
CREDITORS					
Amounts falling due within one year	12	(42,537)	-	(42,537)	(32,314)
NET CURRENT ASSETS		<u>288,731</u>	<u>5,218</u>	<u>293,949</u>	<u>286,720</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,447,534</u>	<u>136,267</u>	<u>2,583,801</u>	<u>2,650,667</u>
CREDITORS					
Amounts falling due after more than one year	13	-	-	-	(44,881)
NET ASSETS		<u>2,447,534</u>	<u>136,267</u>	<u>2,583,801</u>	<u>2,605,786</u>
FUNDS	14				
Unrestricted funds				2,447,534	2,471,464
Restricted funds				<u>136,267</u>	<u>134,322</u>
TOTAL FUNDS				<u>2,583,801</u>	<u>2,605,786</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2022.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2022 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

The notes form part of these financial statements

SOUTH WEST BAPTIST ASSOCIATION

BALANCE SHEET - continued

31 December 2022

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 26 April 2023 and were signed on its behalf by:

S P Dengate - Trustee

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.

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.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

Tangible fixed assets

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

Fixtures and fittings	- 20% on reducing balance
Motor vehicles	- 25% on reducing balance

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.

SOUTH WEST BAPTIST ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2022

2. INVESTMENT INCOME

	2022	2021
	£	£
Rents received	20,849	16,005
Interest and dividends	4,930	1,770
Loan interest	1,364	1,364
	<u>27,143</u>	<u>19,139</u>

3. GRANTS PAYABLE

	2022	2021
	£	£
Association activities		
	<u>85,225</u>	<u>80,263</u>

All grants were payable to institutions this year and in 2021.

4. NET INCOME/(EXPENDITURE)

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

	2022	2021
	£	£
Depreciation - owned assets	<u>7,747</u>	<u>7,757</u>

5. TRUSTEES' REMUNERATION AND BENEFITS

Salaries, social security costs, and pension costs have been paid in respect of the following trustees:

	2022	2021
Nigel Manges	37,340	37,025
Carl Smethurst	37,340	37,025

Included in these figures are pension costs of:

	2022	2021
Nigel Manges	3,618	3,540
Carl Smethurst	3,618	3,540

Accommodation costs of £3,914 were paid for Nigel Manges and £3,397 for Carl Smethurst (2021: £5,216 and £15,394 respectively).

The above sums are payable in the course of the trustees' employment as senior staff of the charity and not by virtue of their role as trustees. The Memorandum and Articles of Association provides legal authority for the payment to these trustees.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2022

5. TRUSTEES' REMUNERATION AND BENEFITS - continued**Trustees' expenses**

Reimbursed travel, subsistence and car running expenses have been paid to Nigel Manges and Carl Smethurst totalling £15,839. In 2021 a total of £9,722 was paid to employed trustees.

During the year the charity has reimbursed travel, telephone and other expenses totalling £638 to two other trustees (2021: £583 to three other trustees).

6. STAFF COSTS

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

	2022	2021
Pastoral	2	2
Administration	1	1
Pastoral	1	-
	<hr/>	<hr/>
	4	3
	<hr/>	<hr/>

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

7. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	229,252	395	229,647
Investment income	19,139	-	19,139
Other income	5,385	-	5,385
	<hr/>	<hr/>	<hr/>
Total	253,776	395	254,171
	<hr/>	<hr/>	<hr/>
EXPENDITURE ON			
Charitable activities			
Association activities			
	239,095	1,500	240,595
Other	7,756	-	7,756
	<hr/>	<hr/>	<hr/>
Total	246,851	1,500	248,351
	<hr/>	<hr/>	<hr/>
Net gains on investments	95,785	-	95,785
	<hr/>	<hr/>	<hr/>
NET INCOME/(EXPENDITURE)	102,710	(1,105)	101,605
Other recognised gains/(losses)			
Gains on revaluation of fixed assets	164,252	-	164,252
	<hr/>	<hr/>	<hr/>
Net movement in funds	266,962	(1,105)	265,857
	<hr/>	<hr/>	<hr/>
RECONCILIATION OF FUNDS			
Total funds brought forward	2,204,502	135,427	2,339,929

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2022

7. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted funds £	Restricted funds £	Total funds £
TOTAL FUNDS CARRIED FORWARD	2,471,464	134,322	2,605,786

8. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures and fittings £	Motor vehicles £	Totals £
COST OR VALUATION				
At 1 January 2022	1,240,000	21,119	22,300	1,283,419
Additions	-	1,700	-	1,700
At 31 December 2022	1,240,000	22,819	22,300	1,285,119
DEPRECIATION				
At 1 January 2022	-	8,877	8,212	17,089
Charge for year	-	3,060	4,687	7,747
At 31 December 2022	-	11,937	12,899	24,836
NET BOOK VALUE				
At 31 December 2022	1,240,000	10,882	9,401	1,260,283
At 31 December 2021	1,240,000	12,242	14,088	1,266,330

Cost or valuation at 31 December 2022 is represented by:

	Freehold property £	Fixtures and fittings £	Motor vehicles £	Totals £
Valuation in 2022	1,240,000	-	-	1,240,000
Cost	-	22,819	22,300	45,119
	1,240,000	22,819	22,300	1,285,119

The Freehold properties were professionally valued in February 2022 and this valuation has been used as the fair value at 31st December 2022.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2022

9. FIXED ASSET INVESTMENTS

	2022	2021
	£	£
Shares	649,859	717,907
Other	4,710	4,710
	<u>654,569</u>	<u>722,617</u>

Additional information as follows:

	Listed investments £
MARKET VALUE	
At 1 January 2022	717,907
Additions	649,868
Disposals	(717,916)
	<u>649,859</u>
At 31 December 2022	
NET BOOK VALUE	
At 31 December 2022	<u>649,859</u>
At 31 December 2021	<u>717,907</u>

There were no investment assets outside the UK.

Cost or valuation at 31 December 2022 is represented by:

	Listed investments £
Valuation in 2022	<u>649,859</u>

Investments (neither listed nor unlisted) were as follows:

	2022	2021
	£	£
At 1st January and 31st December 2020	<u>4,710</u>	<u>4,710</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2022

10. INVESTMENT PROPERTY

	£
FAIR VALUE	
At 1 January 2022	
and 31 December 2022	<u>375,000</u>
NET BOOK VALUE	
At 31 December 2022	<u>375,000</u>
At 31 December 2021	<u>375,000</u>

Fair value at 31 December 2022 is represented by:

	£
Valuation in 2022	<u>375,000</u>

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Memorial Loan Fund- Loans to churches	101,078	122,745
Loan to member church	103,183	118,183
Other debtors	120	12,002
	<u>204,381</u>	<u>252,930</u>

The Memorial Loan Fund is for concessionary loans and include amounts due after more than one year totalling £90,012 (2021: £108,478).

The loan to a member church relates to a property purchase and includes amounts due after more than year totalling £85,455 (2021: £100,455).

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Other creditors	42,537	32,314
	<u>42,537</u>	<u>32,314</u>

13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2022	2021
	£	£
Other creditors	-	44,881
	<u>-</u>	<u>44,881</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2022

14. MOVEMENT IN FUNDS

	At 1.1.22 £	Net movement in funds £	Transfers between funds £	At 31.12.22 £
Unrestricted funds				
General fund	1,342,513	(23,930)	20,000	1,338,583
Tangible Fixed Asset Fund	873,951	-	-	873,951
Mission Property Fund	235,000	-	-	235,000
Pension Reserve	20,000	-	(20,000)	-
	<u>2,471,464</u>	<u>(23,930)</u>	<u>-</u>	<u>2,447,534</u>
Restricted funds				
Capital Project Fund (Sherborne)	131,049	-	-	131,049
Stronger Together				
	<u>3,273</u>	<u>1,945</u>	<u>-</u>	<u>5,218</u>
	<u>134,322</u>	<u>1,945</u>	<u>-</u>	<u>136,267</u>
TOTAL FUNDS	<u><u>2,605,786</u></u>	<u><u>(21,985)</u></u>	<u><u>-</u></u>	<u><u>2,583,801</u></u>

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	279,223	(237,881)	(65,272)	(23,930)
Restricted funds				
Stronger Together				
	<u>1,945</u>	<u>-</u>	<u>-</u>	<u>1,945</u>
TOTAL FUNDS	<u><u>281,168</u></u>	<u><u>(237,881)</u></u>	<u><u>(65,272)</u></u>	<u><u>(21,985)</u></u>

14. MOVEMENT IN FUNDS - continued**Comparatives for movement in funds**

	At 1.1.21 £	Net movement in funds £	Transfers between funds £	At 31.12.21 £
Unrestricted funds				
General fund	1,239,803	266,962	(164,252)	1,342,513
Tangible Fixed Asset Fund	709,699	-	164,252	873,951
Mission Property Fund	235,000	-	-	235,000
Pension Reserve	20,000	-	-	20,000
	<u>2,204,502</u>	<u>266,962</u>	<u>-</u>	<u>2,471,464</u>
Restricted funds				
Capital Project Fund (Sherborne)	131,049	-	-	131,049
Stronger Together				
	<u>4,378</u>	<u>(1,105)</u>	<u>-</u>	<u>3,273</u>
	<u>135,427</u>	<u>(1,105)</u>	<u>-</u>	<u>134,322</u>
TOTAL FUNDS	<u>2,339,929</u>	<u>265,857</u>	<u>-</u>	<u>2,605,786</u>

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	253,776	(246,851)	260,037	266,962
Restricted funds				
Stronger Together				
	<u>395</u>	<u>(1,500)</u>	<u>-</u>	<u>(1,105)</u>
TOTAL FUNDS	<u>254,171</u>	<u>(248,351)</u>	<u>260,037</u>	<u>265,857</u>

Tangible Fixed Asset Fund

This represents the value of the Association's funds that are held in the form of tangible fixed assets directly for the purpose of purchasing these fixed assets. They are held specifically to further the day by day activity of the Association and represent the charity office and two properties occupied by regional ministers and are expected to be held on a long term basis. As such they are therefore not freely available to spend. Within this fund is a revaluation reserve representing the difference between the historic cost and the revalued amount.

Mission Property Fund

This represents the value of the Association's funds that are held in the form of property fixed assets directly for the purpose of purchasing these fixed assets. They are held specifically to further the mission work of the Association by providing property for a minister to occupy or a building from which a church can develop its ministry. Although individual properties may be bought and sold from time to time, to better reflect changing aspirations, in general terms these funds are not freely available to spend. Within this fund is a revaluation reserve representing the difference between the historic cost and the revalued amount.

The Stronger Together Mission Fund

14. MOVEMENT IN FUNDS - continued

This has a dual purpose-to promote and enable mission initiatives in our churches, and also to strengthen the sense of connectedness between our churches as we share stories of how money from the fund has been used. This is funded by small one-off donations available to the Association.. Application can be made by churches to receive grants for new mission initiatives, with the proviso that they can demonstrate that they are working in partnership with another church, in their mission.

The Capital Project Fund

This relates to a donation from the Baptist Building Fund for use by the charity in capital projects. It is currently used to assist with the provision of a manse. In the event that the manse is sold, the proportion of the proceeds that relate to the donation are to be used to fund future capital projects of the charity. This donation originated from the sale of Sherborne Baptist Church.

Pension Reserve

The Pension Reserve was an amount that the trustees had committed to donate towards the pension deficit within the Baptist defined pension scheme to alleviate problems other members of the scheme may experience. As explained in note 16 as there is no longer a deficit on the scheme this reserve has been written back. The Association is also a member of the scheme and its own deficit is reported in note 16..

15. RELATED PARTY DISCLOSURES

South West Pastoral Fund 2022

This fund is administered by the Regional Minister for Ministry for the South West Baptist Association. There were no financial transaction between SWBA and the Pastoral Fund. Donations and interest of £1,051.56 (2021: £489.50), benevolent payments of £400.75 (2021: £1,707) were made. The balance at 31st December was £5,551.72 (2021: £4,900.91).

During the year the Tamlin Fund was also administered by the South West Pastoral Fund. There was no income during the year (2021: £nil) and no payment was made (2021 :£nil). The balance at 31st December was £380.27 (2021: £380.27)

During the year the Sleeman Fund was also administered by the South West Pastoral Fund. There was no income during the year (2021: £nil), no benevolent payments were made (2021: £576) Bank charges of £81 (2021:£96) were paid. The balance at 31st December was £18,010.21 (2021: £18,091.21).

The total of Pastoral Funds combined: £23,942.20.

16. PENSIONS

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

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

From January 2012, pension provision is being made through the Defined Contribution (DC) Plan within the Scheme. In general, members pay 8% of their Pensionable Income and employers pay 6% of members' Pensionable Income into individual pension accounts, which are operated and managed on behalf of the Pension Trustee by Broadstone Corporate Benefits 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 if they are unable to work due to long-term incapacity. This income protection policy has been insured by the Baptist Union of Great Britain with Aviva Limited.

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 the scheme is accounted for as if the Scheme were a defined contribution scheme.

16. PENSIONS - continued

The Ministers are eligible to join the Scheme.

Actuarial valuation as at 31 December 2019

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

The key financial assumptions underlying the valuation were as follows

Type of assumption % p.a.

RPI price inflation assumption 3.20

CPI price inflation assumption 2.70

Minimum Pensionable Income adjustment 0.50

Assumed investment returns

" Pre-retirement 2.95

" Post retirement 1.70

" Minimum Pensionable Income Increases 3.20

Deferred pension increases

" Pre-April 2009 3.20

" Post-April 2009 2.50

Pension increases based on CPI with an annual floor of 0% and annual cap of 5% 2.70

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

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 signed in September 2020, deficiency contributions are payable until 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.

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

SOUTH WEST BAPTIST ASSOCIATION

DETAILED STATEMENT OF FINANCIAL ACTIVITIES
for the Year Ended 31 December 2022

	2022 £	2021 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Baptist Union-Grant	169,057	209,466
Donations	27,903	20,181
Church closure donations	31,625	-
Contributions to salary costs	12,939	-
	<hr/>	<hr/>
	241,524	229,647
Investment income		
Rents received	20,849	16,005
Interest and dividends	4,930	1,770
Loan interest	1,364	1,364
	<hr/>	<hr/>
	27,143	19,139
Other income		
Preaching fees and other income	2,619	2,409
Courses	6,388	1,413
Ministers' conference	3,494	1,563
	<hr/>	<hr/>
	12,501	5,385
Total incoming resources	<hr/>	<hr/>
	281,168	254,171
EXPENDITURE		
Charitable activities		
Salaries and employment costs	102,344	92,473
Staff property and reimbursed expenses	23,149	30,333
Consultancy	9,180	6,886
Cluster support	5,625	-
Travel expenses (not ministerial)	3,631	1,999
Property costs	13,618	2,422
Events	4,792	1,436
Office costs	3,854	1,291
Printing, stationery, postage and telephone	5,019	5,069
Property costs (Wonford)	7,878	8,740
Training	155	100
BU pension deficit	(50,589)	-
Internship support	5,000	-
Sundry expenses	2,084	502
Grants to institutions	85,225	80,263
	<hr/>	<hr/>
	220,965	231,514
Other		
Fixtures and fittings	3,060	3,060
Carried forward	3,060	3,060

This page does not form part of the statutory financial statements

SOUTH WEST BAPTIST ASSOCIATION

DETAILED STATEMENT OF FINANCIAL ACTIVITIES
for the Year Ended 31 December 2022

	2022 £	2021 £
Other		
Brought forward	3,060	3,060
Motor vehicle depreciation	4,687	4,696
	<u>7,747</u>	<u>7,756</u>
Support costs		
Management		
Independent examiner's fee - independent examination	-	780
Independent examiner's fee- accountancy	1,920	1,560
	<u>1,920</u>	<u>2,340</u>
Governance costs		
Legal & professional fees	3,076	-
Trustee costs	1,375	1,375
Portfolio management	2,602	5,172
Bank charges	196	194
	<u>7,249</u>	<u>6,741</u>
Total resources expended	<u>237,881</u>	<u>248,351</u>
Net income	<u><u>43,287</u></u>	<u><u>5,820</u></u>