

Charity Registration No. 525777

COLEG Y BEDYDDWYR CAERDYDD/CARDIFF BAPTIST COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

COLEG Y BEDYDDWYR CAERDYDD/CARDIFF BAPTIST COLLEGE

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COLEG Y BEDYDDWYR CAERDYDD/CARDIFF BAPTIST COLLEGE

CHAIRMAN'S STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2021

I am delighted to present this summary on behalf of the Trustee Board at South Wales Baptist College.

While the world continued to adjust to the impact of the pandemic the College has been growing, with student numbers up on previous years and highly regarded formation training taking place across the board, in both English and Welsh, for more than one denomination. At the end of the academic year in June 2020, 4 students left the college and following the enrolment of 9 new students in September 2020, the student body stood at a total of 28.

With the initial 'lockdown' in 2020 came the immensely time-consuming challenges of taking all our teaching and training online and making all our communications digital. This continued throughout the majority of the year, with very occasional face-to-face contact taking place when the easing of lockdown restrictions permitted this. We have now returned to face-to-face contact but retained the daily prayers online which have become a valued connecting point for the College community. Staff remain enabled to work from home when necessary. We have continued with many simple adaptations to our buildings to ensure that those living in College rental accommodation, and those who need to work on site are able to do so safely, within Government and University guidelines.

It is a delight to report once again that the College is thriving despite the challenges for all, not least due to the extremely hard and creative work that the Principals, Tutors and Staff have undertaken these last 12 months, and the enthusiasm and flexibility that has been shown by the student body. Our co-Principals, Rev. Dr. Rosa Hunt and Rev. Dr. Ed Kaneen have demonstrated forward thinking, fruitful and encouraging leadership of the college, enthusiastically supported by their tutorial and staff colleagues.

At their April 2021 meeting the Board of Trustees were delighted to welcome Rev. Tim Moody, who had recently been a student at the College, as a new trustee. The appointment reflected the Board's ethos of identifying and appointing new trustees with the qualities, skills and experience required on the trustee body.

Towards the end of the year, the College adopted its new name - Coleg y Bedyddwyr Caerdydd/Cardiff Baptist College. This followed discussion within the College, at Trustees Meetings and with wider groups with an interest in the work and mission of the College. The new name reflects the College's physical location, bilingual working and links with Cardiff University, but also its reach in serving students and Churches from all parts of Wales, and not just South Wales. Over the next year all aspects of the College's communications and day to day administration will change to reflect the new name.

Financially, for 2020-21, the College's financial position improved, and we ended the year with an unrestricted surplus of £45,045. The significant loss of rental income from office space was sustained for a further year, but residential rental income began to recover as new tenants joined our community. Work continued exploring options for the long-term future of the College's buildings, including redevelopment options for the site. Following improvements in the utilisation of the building, the outlook for the future of the site without major re-development is now very positive. The overall value of our investment portfolio recovered to pre-pandemic levels.

As the impact on finances of the second year of the pandemic were broadly neutral, once again no additional financial support (from the Welsh Government or the Wales Council for Voluntary Action) was sought.

Responding to changing patterns of ministerial training and formation the College launched a more flexible training pathway in September 2018; and staff have worked hard to deliver the third year of the new three-year pattern of training during 2020-21.

Students from the College have continued to serve churches across Wales in preaching, pastoral and missional tasks; and in addition to the total provision of College facilities, students are supported by individual bursaries where appropriate.

COLEG Y BEDYDDWYR CAERDYDD/CARDIFF BAPTIST COLLEGE

CHAIRMAN'S STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2021

During this past year, the College's permanent teaching staff, Rev. Dr. Ed Kaneen, Rev. Dr. Rosa Hunt, Rev. Dr. Craig Gardiner, and Rev. Dr. Stephen Roberts, have provided teaching and pastoral support to students at the College preparing for various forms of ministry. They have continued to serve as Honorary Lecturers at Cardiff University; a role which involves delivering a range of undergraduate and postgraduate modules for both College and University students. The College's tutors make a significant contribution to the work of Cardiff University by teaching students on the BA in Religion and Theology; and they enjoy positive working relationships with colleagues in the Department of Religion and Theology. The College has continued to benefit from the expertise in Old Testament Studies provided by an Associate Tutor, the Rev. Dr. Kofi Amissah, who has also shared in the work of delivering modules at the University. The College has also benefitted this year from the teaching provided by the Rev. Dr. Helen Dare, who delivered two modules on Biblical Studies for College and University students. Rev. Dr. Ed Kaneen has represented the College on the Cardiff University Council and continues to serve as Programme Convener for Theology for the School of History, Archaeology and Religion. Both Rev. Dr. Ed Kaneen and Rev. Dr. Stephen Roberts represent the College on the various Boards of Studies and other committees.


We continued to benefit enormously from the administrative work and backroom support offered to both the academic staff and the students. Our Resource Manager, Mr. Martyn Moss retired at the end of 2020, and we are thankful to Martyn for his contribution to the work of the College and to College life over many years. Likewise, in August 2021, Mrs Anita Monks retired after ten years of much valued service. In anticipation of Martyn's retirement, we appointed Mrs Helen Ede as College Manager, to take up post from September 2020, and subsequently Mr Robert Whitehouse as Site Manager. This part-time role oversees care, maintenance and security of the college buildings and plant. Our wider team was completed by our Librarian Anna Smith.

The College hosted its annual Whitley Lecture, a national public lecture on the 26th March 2021. This year's lecture was delivered by the Rev. Dr David McLachlan, who explored the theme 'Does this Cross have Disabled Access?' and, along with Rev. Dr Martin Hobgen, led a seminar on disability and the church. We are grateful to both speakers for their input which provoked stimulating discussion.

The College continues to relate well with its wider constituency, through its links with many local Churches, the Associations and the Baptist Unions of Wales and of Great Britain – as well as the Presbyterian Church in Wales. Alongside its work with ministerial students the College also offers an access-level course, Pathways, which is designed for local church leaders and members. It is overseen by an Associate Tutor, Rev. Jon Davis, and it is good to report that the numbers of people participating in the Pathways course have continued to grow during the last year. Another Associate Tutor, Rev. Dr. Graham Watts, has provided valuable service this year in overseeing the learning contracts which the College provides for Newly Accredited Baptist Ministers.

The College's website and the annual newsletter have continued to serve as valuable ways of communicating with the churches.

With the exception of the Co-Principal, who acts ex officio, all Trustees give their time voluntarily and receive no financial benefits from the College. The Trustee Board is served admirably well by a widely diverse and gifted group of individuals who freely give of their time and expertise to the role and I am, once again, indebted to them for their willingness to serve on the Board.



Chair of Trustees
Dated: 30th May 2022

COLEG Y Bedyddwyr Caerdydd/CARDIFF BAPTIST COLLEGE

TRUSTEES REPORT

FOR THE YEAR ENDED 31 AUGUST 2021

The trustees present their report and financial statements for the year ended 31 August 2021.

On 13 July 2021 the charity formally changed its name from South Wales Baptist College to Coleg y Bedyddwyr Caerdydd/Cardiff Baptist College

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the financial statements and comply with the charity's governing document, the Charities Act 2011 and "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

The objects of the College are:

- the advancement of the Christian Religion in accordance with the beliefs and practices of Baptists and the interpretation of such beliefs and practices and in particular the training of students for ministry amongst the Baptist churches.
- to provide education, training, vocational preparation and support to Christians for mission and ministry.

Public benefit statement

The trustees confirm that they have complied with the duty in section 4 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit, "Charities and Public Benefit". The South Wales Baptist College's charitable purpose is enshrined in its objectives listed above. The charity delivers its public benefit through its work with a wide range of external organisations.

COLEG Y BEDYDDWYR CAERDYDD/CARDIFF BAPTIST COLLEGE

TRUSTEES REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Financial review

The College reported an unrestricted surplus for the year of £45,045 (2020 – deficit £39,048) before taking into account movements on its investment portfolio and movement in its pension scheme liability. The College reported a surplus during the year on its investment portfolio of £86,872 (2020 - £21,577 deficit). The College remains a long term investor and will continue to manage its investments accordingly.

The trustees will continue to manage the financial position of the College on a prudent basis, and consider the College's activities to be on a sound financial basis.

The charity has unrestricted reserves, excluding those held as tangible fixed assets, investment properties and endowment funds, of £690,532 at 31 August 2021 (2020: £485,115). This balance represents the charity's free reserves.

Reserves Policy

It is the policy of the trustees to ensure that the College maintains sufficient free reserves to enable it to fulfil its obligations to complete the training of those students to whom it has made training commitments at the date of the balance sheet. Based on the budget for the financial year, this would require free reserves amounting to nearly £400,000, after making allowance for revenue that could be earned in that period.

Free reserves at the Balance Sheet date totalled £690,532.

The trustees will continue to manage the College's financial affairs on a prudent basis, with the objective of strengthening the free reserves position. Allowing for the nature of the pension deficiency provision and the wider asset position, the Trustees consider the reserves position to be satisfactory.

Investment Policy

The Trustees have adopted a formal investment policy that defines both acceptable risk levels, and a medium term required rate of return. The rate of return objective is 5% whilst at least maintaining the long term purchasing power of capital against inflation.

COLEG Y BEDYDDWYR CAERDYDD/CARDIFF BAPTIST COLLEGE

TRUSTEES REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

The Trustees noted that investment surplus during the period totalled £86,872 and investment income amounted to £9,275. This gave a total gain of £96,147 on investments totalling £500,104 at the end of the year.

The investments are managed within ethical guidelines set down by the Trustees. Within the investment strategy, the investment managers have discretion over particular investments. Details of the investments are set out in the notes to the financial statements.

The investment managers are Brewin Dolphin.

The charity also holds three investment properties which were valued on 17 March 2017. The Trustees consider the market value at 17 March 2017 reflects their fair value at 31 August 2020 and 31 August 2021.

Risk Review

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The charity maintains a risk register and the trustees review at least annually the main strategic, business and operational risks which the charity faces. The trustees have established systems and controls to mitigate against major risks to which the College is exposed. Any activity with a high residual risk is monitored and appropriate action implemented to bring within acceptable levels wherever possible.

Other policies are also in place in relation to health and safety, governance and management.

Major Risks

Under normal circumstances, the risks of the charitable company are mitigated to an acceptable level in day-to-day operations. A financial risk assessment has been made, along with an organisational risk assessment in the College's approach to budget setting for future years. The trustees consider their main risks are their relationship with key funders and stakeholders, the ongoing impacts of the Covid pandemic, and their ability to deliver a successful, timely outcome to the review of options for the premises.

Plans for future periods

- Run residential retreats for students and staff. This model will be kept under review in light of changing circumstances due to Covid. A Covid-safe alternative will be arranged if necessary.
- Run a Discernment Day for people exploring a call to ordained ministry and for those interested in courses of theological education.
- Review the new training pathway and recruit students for September 2022 intake.
- Re-visit the review of the College's premises in the light of changing circumstances.
- Integrate new trustees and continue building a healthy and diverse trustee body.
- Continue to develop detailed plans for changing the status of the College to a Charitable Incorporated Organisation.
- Work through the renewal of the College's formal academic partnership with Cardiff University which needed to be in place in time for the Academic Year 2021-22.
- Plan for the management of and teaching provision for the MTh Theology beyond September 2021 when St Padarn's Institute will cease to be part of the Collaborative Partnership with Cardiff University.
- Liaise with Cardiff University over new modules for the Academic Year 2022-2023.
- Participate in Baptist discussions about changing patterns of ministerial training and formation.
- Contribute to discussions about the funding of training Baptist ministers.
- Continue to develop healthy working relationships with other denominations in Wales.

COLEG Y BEDYDDWYR CAERDYDD/CARDIFF BAPTIST COLLEGE

TRUSTEES REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Structure, governance and management

Constitution

The College was founded in 1807, and operates under a governing document which is the Charity Commission Scheme that came into effect on 28 October 2009. South Wales Baptist College is registered as an unincorporated charity.

The Board of Trustees

The trustees exercise the powers of the charity in accordance with the Charity Commission Scheme.

Key Management Personnel remuneration

Our key management personnel are the trustees of the charity, as detailed within the trustees report, including the co-Principals of the College, Rev. Rosa Hunt and Rev. Ed Kaneen.

Setting pay and other remuneration is ultimately the responsibility of the Trustees, on the advice of the Officers of the College who comprise the Chair (Rev. Mark Thomas), co-Principals (Rev. Rosa Hunt and Rev. Ed Kaneen) and Treasurer (Caren Fullerton). The co-Principals do not participate, either at officer or trustee level, in decisions concerning their remuneration.

Remuneration decisions are taken in the light of relevant benchmarks, including stipend levels set by the Baptist Union of Great Britain, Cardiff University lecturer pay scales, and local conditions.

Governing document

The College operates under the provisions of the Charity Commission Scheme. The trustees are responsible for the overall direction of the charity, and for ensuring that it acts in accordance with the provisions of the Trust Deed. They are supported by advisory groups addressing Finance, Buildings and Services, and Ministerial Selection. The scheme provides clarity to the roles respectively of the trustees as a body, and the Executive charged with the day to day responsibility of running the College.

Recruitment and induction

Trustees are recruited with the aim of balancing the need for continuity, commitment, experience and people skills, along with a suitable blend of gender, age and geographical representation. A representative trustee nomination group holds informal conversations with leaders of the various Baptist associations and unions which support the College.

Trustees receive an induction into the work of the College by meeting the Chairman and Senior Staff and being advised of their general work, as well as receiving financial statements and other relevant documentation, including relevant Charity Commission publications. Training is provided as needed by appropriately skilled external trainers.

COLEG Y BEDYDDWYR CAERDYDD/CARDIFF BAPTIST COLLEGE

TRUSTEES REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Reference and administrative details

Name:

Cardiff Baptist College

Registered number:

525777

Registered office:

54 Richmond Road
Cardiff
CF24 3UR

Trustees:

Revd Rosa Hunt (co-Principal)
Revd Denzil John
Eirlys Jones
Caren Fullerton
Cedric Longville
Revd Mark Thomas (Chairman)
Revd Emma Mohr
Paul Phillips
Revd Timothy Moody - appointed 19 April 2021

Key management personnel

Revd Dr. Rosa Hunt (Co-Principal)
Revd Dr. Ed Kaneen (Co-Principal)
Helen Ede (College Manager) - appointed 14 September 2020

Principal bankers:

Lloyds Bank Plc
Roath Park Branch
Cardiff
CF10 2AG

Stockbrokers:

Brewin Dolphin Limited
5 Callaghan Square
Cardiff
CF10 5BT

Auditors:

Azets Audit Services
Chartered Accountants & Statutory Auditors
Ty Derw
Lime Tree Court
Cardiff Gate Business Park
Cardiff
CF23 8AB

COLEG Y BEDYDDWYR CAERDYDD/CARDIFF BAPTIST COLLEGE

TRUSTEES REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

The trustees report was approved by the Board of Trustees.



C Fullerton

Trustee

Dated: 30th May 2022

COLEG Y BEDYDDWYR CAERDYDD/CARDIFF BAPTIST COLLEGE

STATEMENT OF TRUSTEES RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2021

The trustees are responsible for preparing the Trustees Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales 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 charity and of the incoming resources and application of resources of the charity for that year.

In preparing these financial statements, the trustees are required to:

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

The trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

COLEG Y BEDYDDWYR CAERDYDD/CARDIFF BAPTIST COLLEGE

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF COLEG Y BEDYDDWYR CAERDYDD/CARDIFF BAPTIST COLLEGE

Opinion

We have audited the financial statements of Coleg y Bedyddwyr Caerdydd/Cardiff Baptist College (the 'charity') for the year ended 31 August 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the 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, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 August 2021 and of its incoming resources and application of resources, 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 Charities Act 2011.

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 *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charity 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 charity'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 other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. 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 course of 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.

COLEG Y BEDYDDWYR CAERDYDD/CARDIFF BAPTIST COLLEGE

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF COLEG Y BEDYDDWYR CAERDYDD/CARDIFF BAPTIST COLLEGE

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees responsibilities, the trustees 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 charity'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 cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 145 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

COLEG Y BEDYDDWYR CAERDYDD/CARDIFF BAPTIST COLLEGE

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF COLEG Y BEDYDDWYR CAERDYDD/CARDIFF BAPTIST COLLEGE

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Other matters

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with "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)" (as amended) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

This has been done in order for the financial statements to provide a true and fair view in accordance with current Generally Accepted Accounting Practice.

COLEG Y BEDYDDWYR CAERDYDD/CARDIFF BAPTIST COLLEGE

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF COLEG Y BEDYDDWYR CAERDYDD/CARDIFF BAPTIST COLLEGE

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Azets Audit Services

09-06-2022
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**Chartered Accountants
Statutory Auditor**

Ty Derw
Lime Tree Court
Cardiff Gate Business Park
Cardiff
United Kingdom
CF23 8AB

Azets Audit Services is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006.

COLEG Y BEDYDDWYR CAERDYDD/CARDIFF BAPTIST COLLEGE

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	Unrestricted funds 2021 £	Endowment funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Endowment funds 2020 £	Total 2020 £
<u>Income and endowments from:</u>							
Donations and legacies	3	217,539	-	217,539	214,347	-	214,347
Charitable activities	4	199,478	-	199,478	192,782	-	192,782
Investments	5	9,291	-	9,291	11,431	-	11,431
Other income	6	3,479	-	3,479	2,610	-	2,610
Total income		429,787	-	429,787	421,170	-	421,170
<u>Expenditure on:</u>							
Raising funds	7	236	-	236	72	-	72
Charitable activities	8	384,506	-	384,506	460,146	-	460,146
Other	13	-	50	50	-	50	50
Total resources expended		384,742	50	384,792	460,218	50	460,268
Net gains/(losses) on investments	14	86,872	-	86,872	(21,577)	-	(21,577)
Net incoming/(outgoing) resources		131,917	(50)	131,867	(60,625)	(50)	(60,675)
<u>Other recognised gains and losses</u>							
Other gains or losses	15	59,321	-	59,321	3,236	-	3,236
Net movement in funds		191,238	(50)	191,188	(57,389)	(50)	(57,439)
Fund balances at 1 September 2020		2,347,329	100	2,347,429	2,404,718	150	2,404,868
Fund balances at 31 August 2021		2,538,567	50	2,538,617	2,347,329	100	2,347,429

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.


COLEG Y BEDYDDWYR CAERDYDD/CARDIFF BAPTIST COLLEGE

BALANCE SHEET

AS AT 31 AUGUST 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	16	638,035		652,214	
Investment properties	17	1,210,000		1,210,000	
Investments	18	500,104		407,186	
		<u>2,348,139</u>		<u>2,269,400</u>	
Current assets					
Debtors	19	11,037		10,831	
Cash at bank and in hand		297,625		260,366	
		<u>308,662</u>		<u>271,197</u>	
Creditors: amounts falling due within one year	20	(32,868)		(26,089)	
Net current assets		<u>275,794</u>		<u>245,108</u>	
Total assets less current liabilities		<u>2,623,933</u>		<u>2,514,508</u>	
Creditors: amounts falling due after more than one year	21	(85,316)		(167,079)	
Net assets		<u>2,538,617</u>		<u>2,347,429</u>	
Capital funds					
Endowment funds - general	22		50		100
Income funds					
<u>Unrestricted funds</u>					
General unrestricted funds		1,648,326		1,446,185	
Revaluation reserve		890,241		901,144	
		<u>2,538,567</u>		<u>2,347,329</u>	
		<u>2,538,617</u>		<u>2,347,429</u>	

The financial statements were approved by the Trustees on 30th May 2022


 C Fullerton
 Trustee

COLEG Y BEDYDDWYR CAERDYDD/CARDIFF BAPTIST COLLEGE

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	28		34,014		(64,455)
Investing activities					
Purchase of investments		(83,887)		(91,193)	
Proceeds on disposal of investments		77,841		83,485	
Investment income received		9,291		11,431	
Net cash generated from investing activities			3,245		3,723
Net cash used in financing activities			-		-
Net increase/(decrease) in cash and cash equivalents			37,259		(60,732)
Cash and cash equivalents at beginning of year			260,366		321,098
Cash and cash equivalents at end of year			297,625		260,366

COLEG Y BEDYDDWYR CAERDYDD/CARDIFF BAPTIST COLLEGE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

Charity information

South Wales Baptist College is an unincorporated charity registered in England & Wales. Their registered office is 54 Richmond Road, Cardiff, CF24 3UR.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Charities Act 2011 and "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)". The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

The charity reported an unrestricted net inflow of £191,238 for the year on unrestricted reserves after gains on investments and movement in its pension liability. This charity has sufficient free reserves and is monitoring results on a frequent basis. The trustees are of the view that that on this basis the charity is a going concern and there are no material uncertainties about the charity's ability to continue as a going concern.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

COLEG Y BEDYDDWYR CAERDYDD/CARDIFF BAPTIST COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

The value of any voluntary help received is not included in the accounts but is described in the trustees' annual report.

Investment income is recognised on a receivable basis.

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Expenditure on charitable activities includes all costs relating to the furtherance of the society's objectives as stated in the trustees report. This also includes all costs relating to compliance with constitutional and statutory requirements.

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

Costs of raising funds comprise the costs in relation to generating income such as fundraising activities.

Support costs have been allocated between governance costs and other support. Governance costs comprise all costs involving public accountability of the charity and its compliance with regulation and good practice.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	2% on cost
-----------------------------	------------

Individual assets costing £1,000 or more are capitalised.

1.7 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

Investment properties were valued at market value on 17 March 2017 and was reflected as part of the transition to FRS 102. Trustees consider the market value at 17 March 2017 reflects the fair value of the properties at 31 August 2020 and 31 August 2021.

1.8 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

COLEG Y BEDYDDWYR CAERDYDD/CARDIFF BAPTIST COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.10 Taxation

As a registered charity, South Wales Baptist College is entitled to the exemption from taxation in respect of income and capital gains received with sections 478-489 of the Corporation Tax Act 2010 and section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects purposes only.

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

COLEG Y BEDYDDWYR CAERDYDD/CARDIFF BAPTIST COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

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.

1.13 Leases

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
Donations and gifts	217,239	213,047
Legacies receivable	300	1,300
	<u>217,539</u>	<u>214,347</u>
Donations and gifts		
Church donations	20,388	17,788
Griffiths Trust	195,761	193,924
Personal	880	1,234
Other	210	101
	<u>217,239</u>	<u>213,047</u>

COLEG Y BEDYDDWYR CAERDYDD/CARDIFF BAPTIST COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

4 Charitable activities

	2021 £	2020 £
Rental income	64,933	88,493
Fees	134,545	104,289
	<u>199,478</u>	<u>192,782</u>

5 Investments

	Unrestricted funds 2021 £	Unrestricted funds 2020 £
Dividends	9,275	10,607
Interest receivable	16	824
	<u>9,291</u>	<u>11,431</u>

6 Other income

	Unrestricted funds 2021 £	Unrestricted funds 2020 £
Sundry income	<u>3,479</u>	<u>2,610</u>

COLEG Y BEDYDDWYR CAERDYDD/CARDIFF BAPTIST COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

7 Raising funds

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
Advertising	236	72
	<u>236</u>	<u>72</u>

8 Charitable activities

	2021	2020
	£	£
Staff costs	186,557	222,814
Depreciation and impairment	14,179	14,179
Catering	1,332	3,380
Student support costs	-	110
Books	1,224	2,358
Library	6,012	7,924
Prizes	500	400
Pension Liability Interest Charge	1,908	3,958
	<u>211,712</u>	<u>255,123</u>
Grant funding of activities (see note 9)	5,920	11,044
Share of support costs (see note 10)	162,344	189,779
Share of governance costs (see note 10)	4,530	4,200
	<u>384,506</u>	<u>460,146</u>

9 Grants payable

	2021	2020
	£	£
Grants to individuals	5,920	11,044
	<u>5,920</u>	<u>11,044</u>

COLEG Y BEDYDDWYR CAERDYDD/CARDIFF BAPTIST COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

10 Support costs

	Support costs	Governance costs	2021	Support costs	Governance costs	2020
	£	£	£	£	£	£
Staff costs	59,838	-	59,838	41,063	-	41,063
Operating lease charges	1,848	-	1,848	1,888	-	1,888
Telephone	882	-	882	832	-	832
Printing & stationery	4,634	-	4,634	4,583	-	4,583
Heat, light and water	15,000	-	15,000	19,495	-	19,495
Cleaning	12,385	-	12,385	18,086	-	18,086
Insurance	13,038	-	13,038	12,934	-	12,934
Professional fees	12,118	-	12,118	8,933	-	8,933
Sundry	10,810	-	10,810	14,403	-	14,403
Amenities & training	165	-	165	8,387	-	8,387
Travel & conference expenses	1,499	-	1,499	3,955	-	3,955
Repairs and renewals	30,127	-	30,127	55,220	-	55,220
Audit fees	-	4,530	4,530	-	4,200	4,200
	<u>162,344</u>	<u>4,530</u>	<u>166,874</u>	<u>189,779</u>	<u>4,200</u>	<u>193,979</u>
Analysed between						
Charitable activities	<u>162,344</u>	<u>4,530</u>	<u>166,874</u>	<u>189,779</u>	<u>4,200</u>	<u>193,979</u>

Governance costs includes payments to the auditors of £4,530 (2020- £4,200) for audit fees.

11 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

COLEG Y BEDYDDWYR CAERDYDD/CARDIFF BAPTIST COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

12 Employees

Number of employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
Teaching staff	4	4
Administrative staff	4	3
	<u>8</u>	<u>7</u>

Employment costs

	2021 £	2020 £
Wages and salaries	190,545	209,820
Social security costs	20,671	21,132
Other pension costs	35,179	32,925
	<u>246,395</u>	<u>263,877</u>

Key management personnel

The key management personnel of the charity who are noted in the trustees report received benefits (consisting of gross salary, employers national insurance contributions and employers pension contributions) totalling £113,809 (2020: £98,395).

There were no employees whose annual remuneration was £60,000 or more.

13 Other

	Endowment funds general 2021	Endowment funds general 2020
Anne Rendell Prize Fund	50	50
	<u>50</u>	<u>50</u>

14 Net gains/(losses) on investments

	Unrestricted funds 2021 £	Unrestricted funds 2020 £
Revaluation of investments	<u>86,872</u>	<u>(21,577)</u>

COLEG Y BEDYDDWYR CAERDYDD/CARDIFF BAPTIST COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

15 Other gains or losses

Unrestricted funds

2021
£

2020
£

Gain on pension scheme	(59,321)	(3,236)
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16 Tangible fixed assets

Freehold land and buildings
£

Cost

At 1 September 2020	708,930
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At 31 August 2021	708,930
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Depreciation and impairment

At 1 September 2020	56,716
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Depreciation charged in the year	14,179
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At 31 August 2021	70,895
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Carrying amount

At 31 August 2021	638,035
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At 31 August 2020	652,214
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A review of the property portfolio took place in March 2017 and it was agreed that three of the four properties owned by the charity were in fact investment properties. All four properties were valued on 17 March 2017. Trustees consider the market value at that date reflects the fair value of the properties as at 31 August 2020 and 31 August 2021. The remaining fixed asset property is used for charitable purposes.

The historical cost of this property is £144,855.

17 Investment property

2021
£

Fair value

At 1 September 2020 and 31 August 2021	1,210,000
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A review of the property portfolio took place in March 2017 and it was agreed that three of the four properties owned by the charity were in fact investment properties. All four properties were valued on 17 March 2017. Trustees consider the market value at that date reflects the fair value of the properties as at 31 August 2020 and 31 August 2021. The remaining fixed asset property is used for charitable purposes.

COLEG Y BEDYDDWYR CAERDYDD/CARDIFF BAPTIST COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

17 Investment property

(Continued)

18 Fixed asset investments

	Listed investments £	Cash in portfolio	Total £
Cost or valuation			
At 1 September 2020	395,852	11,334	407,186
Additions	83,887	(83,887)	-
Valuation changes	86,872	-	86,872
Cash movement	-	6,046	6,046
Disposals	(78,487)	78,487	-
At 31 August 2021	488,124	11,980	500,104
Carrying amount			
At 31 August 2021	488,124	11,980	500,104
At 31 August 2020	395,852	11,334	407,186

19 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Prepayments and accrued income	11,037	10,831

20 Creditors: amounts falling due within one year

	2021 £	2020 £
Other taxation and social security	5,821	5,005
Accruals and deferred income	27,047	21,084
	32,868	26,089

COLEG Y BEDYDDWYR CAERDYDD/CARDIFF BAPTIST COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

21 Creditors: amounts falling due after more than one year

	2021	2020
	£	£
Accruals and deferred income	85,316	167,079
	<u>85,316</u>	<u>167,079</u>

Pension deficit contributions:

The company participates in a multi-employer pension scheme. The scheme is a defined benefit scheme in the UK. As it is not possible for the charity to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme it therefore has to account for the scheme as a defined contribution scheme.

The amount recognised in the financial statements is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. See note 25 for further details.

The amounts repayable are as follows:

	2021	2020
	£	£
Repayable within two and five years	85,045	79,465
Repayable in more than five years	<u>271</u>	<u>87,614</u>
	<u>85,316</u>	<u>167,079</u>

COLEG Y Bedyddwyr Caerdydd/Cardiff Baptist College

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

22 Endowment funds

Endowment funds represent assets which must be held permanently by the charity. Income arising on the endowment funds can be used in accordance with the objects of the charity and is included as unrestricted income. Any capital gains or losses arising on the assets form part of the fund.

	Balance at 1 September 2019 £	Movement in funds				Balance at 1 September 2020 £	Movement in funds				Balance at 31 August 2021 £
		Incoming resources £	Resources expended £	Transfers £	Revaluations gains and losses £		Incoming resources £	Resources expended £	Transfers £	Revaluations gains and losses £	
Permanent endowments											
Anne Rendell	150	-	(50)	-	-	100	-	(50)	-	-	50
	150	-	(50)	-	-	100	-	(50)	-	-	50

Anne Rendell Prize Fund

The provision of a prize to be awarded every year for 10 years for practical or personal encouragement of students.

COLEG Y BEDYDDWYR CAERDYDD/CARDIFF BAPTIST COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

23 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 1 September 2019 £	Resources expended £	Balance at 1 September 2020 £	Movement in funds Incoming resources £	Balance at 31 August 2021 £
Pension Scheme Gift	16,666	(16,666)	-	-	-
	16,666	(16,666)	-	-	-

The trustees agreed to designate additional voluntary payments to the Pension Scheme of £50,000. The final payment was made in 2019/20.

24 Analysis of net assets between funds

	Unrestricted funds 2021 £	Endowment funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Endowment funds 2020 £	Total 2020 £
Fund balances at 31 August 2021 are represented by:						
Tangible assets	638,035	-	638,035	652,214	-	652,214
Investment properties	1,210,000	-	1,210,000	1,210,000	-	1,210,000
Investments	500,104	-	500,104	407,186	-	407,186
Current assets/ (liabilities)	275,744	50	275,794	245,008	100	245,108
Long term liabilities	(85,316)	-	(85,316)	(167,079)	-	(167,079)
	2,538,567	50	2,538,617	2,347,329	100	2,347,429

COLEG Y BEDYDDWYR CAERDYDD/CARDIFF BAPTIST COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

25 Pension Scheme

The College 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 2019

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

The valuation of the DB Plan revealed a deficit of assets compared with the value of liabilities of £18 million (equivalent to a past service funding level of 94%). The 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:

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

COLEG Y BEDYDDWYR CAERDYDD/CARDIFF BAPTIST COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

25 Pension Scheme

(Continued)

Pension increases

- Main Scheme pension Pre April 2006	2.70
- Main Scheme pension Post April 2006	2.00

Post-retirement mortality in accordance with 80% of the S3NFA and S3NMA tables, with allowance for future improvements in mortality rates from 2013 in line with the CMI 2019 core projections, with a long term annual rate of improvement of 1.75% for males and 1.5% for females, with the core smoothing parameter and with additional initial mortality improvement factor A=0.5%.

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

Recovery Plan

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

Under the current Recovery Plan dated 30 September 2020, deficiency contributions are payable until 30 June 2026. These contributions are broadly based on the employer's membership at 31 December 2014 and increase annually in line with increases to Minimum Pensionable Income as defined in the Rules. However, the Trustee and the Council agreed a 50% reduction for all deficiency contributions payable between 1 July 2020 and 31 December 2020.

Movement in Balance Sheet liability

Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability. The movement in the provision is set out in the table below.

Accounting date (year ending):	31 August 2021	31 August 2020
Balance sheet liability at year start	£182,041	£205,309
Minus deficiency contributions paid	-£17,181	-£18,491
Interest cost (recognised in SoFA)	£1,908	£2,745
Remaining change to balance sheet liability* (recognised in SoFA)	-£59,320	-£7,523
Balance sheet liability at year end	£107,447	£182,041

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

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

Accounting date	31 August 2021	31 August 2020	31 August 2019
Discount rate	0.9%	1.1%	1.4%
Future increases to Minimum Pensionable Income	3.6%	3.1%	3.4%

COLEG Y BEDYDDWYR CAERDYDD/CARDIFF BAPTIST COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

26 Related party transactions

Transactions with related parties

Denzil John (trustee) is also a trustee of the Living Room charity which was a tenant of the College. The College recognised £nil of rental income this year (2020: £15,553) from the Living Room.

Revd Rosa Hunt (Co-Principal) is an employee and an ex-officio trustee. The co-principal is not remunerated for her work as a trustee, and is not involved in decisions regarding their remuneration at board level.

27 Operating lease commitments

Lessee

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2021 £	2020 £
Within one year	1,540	1,848
Between two and five years	-	1,540
	<u>1,540</u>	<u>3,388</u>

28 Cash generated from operations

	2021 £	2020 £
Surplus/(deficit) for the year	131,867	(60,675)
Adjustments for:		
Investment income recognised in statement of financial activities	(9,291)	(11,431)
Pension scheme gains and losses	59,321	3,236
Fair value gains and losses on investments	(86,872)	21,577
Depreciation and impairment of tangible fixed assets	14,179	14,179
Difference between pension charge and cash contributions	(74,594)	(17,768)
Movements in working capital:		
(Increase)/decrease in debtors	(206)	786
(Decrease)/increase in creditors	(390)	1,194
(Decrease) in deferred income	-	(15,553)
Cash generated from/(absorbed by) operations	<u>34,014</u>	<u>(64,455)</u>

COLEG Y BEDYDDWYR CAERDYDD/CARDIFF BAPTIST COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

29 Analysis of changes in net funds

The charity had no debt during the year.

