

COLEG Y BEDYDDWYR CAERDYDD/CARDIFF BAPTIST COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

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 2022

On behalf of the Trustees, I am pleased to present this report and the financial statements of Cardiff Baptist College for the year ended 31 August 2022. The financial statements comply with the Charities Act 2011, and follow the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Standard applicable in the UK and the Republic of Ireland (FRS 102).

This has been a good year for the College. Faithfulness in focussing on our primary function of formation training is evident across the whole staffing structure and our thanks go to all those who have served and continue to serve the College as Co-Principals, Tutors, Support Staff or Volunteers. Indeed, decisions taken this year which will come to fruition during the next financial year evidence future positive developments in the life of the College as we seek to expand our ministry and enhance our reputation as an essential provider of ministerial formation for folk throughout Wales and beyond.

Our thanks also go to all those churches, individuals and organisations that support us financially. This support is a vital part of sustaining the life and work of the College. Individuals and Churches may express their support of us by making one-off or regular donations. Appropriate forms for individuals or Churches can be made available from the College.

Whatever sadness and loss COVID has brought in its wake, it has certainly forced us all to “pioneer and move out of the comfort zone of familiar ways of doing things”. This was the Baptist Union of Great Britain’s 2018 expression of ‘embracing adventure. Although both staff and students in Cardiff prefer face to face interactions, we have learned that having to embrace technology (as well as adventure!) has its benefits for formation. In particular, we have found that a flipped classroom approach has freed up valuable face to face time for discussion, rather than imparting of information. Perhaps most important of all, our daily prayer times and monthly pastoral groups over Teams have allowed us to build a strong sense of community even when we have not been allowed to meet face to face.

Another feature of this new adventure is that we have been collaborating even more with the wider body of Christ. We have strengthened our links with South Wales Baptist Association and the Baptist Union of Wales, and they have been part of our consultation process as we plan to reform our teaching programme from September 2024. The new programme should offer even greater flexibility to those who need to train alongside keeping full time employment, while providing a separate, more in-depth path, to those who are able to attend weekly lectures at Cardiff University. At the heart of this reform is our passion for forming mature disciples of Christ in a community of learning. We continue to work closely with the Presbyterian Church of Wales and are in discussions about delivering some bespoke training for them, and we are also working with the Baptist Union of Wales to consider developing a pioneering stream. Our Pathways course for local leaders continues to grow, and perhaps most excitingly of all, we (along with other Christian organisations) have been invited by the Church in Wales to join discussions with Welsh Government about a funded internship scheme for prospective ministerial candidates. This will be deliberately aimed at young adults exploring a call to ministry. We also rejoice that we have renewed our partnership agreement with Cardiff University, and we have enjoyed regular research seminars for staff and research students linked to the College. The College seems to be growing in unexpected ways and directions, and so we are considering taking on an additional permanent tutor as well as continuing to benefit from our team of associate tutors.

This year, we are pleased to have welcomed 10 students to join us, while sending a further 14 students on into ministry.

COLEG Y BEDYDDWYR CAERDYDD/CARDIFF BAPTIST COLLEGE

CHAIRMAN'S STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2022

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. College staff have been involved in serving local churches through ministry and preaching, as well as serving on committees of the Baptist Unions and academic groups. The Revd Dr Rosa Hunt and the Revd Dr Craig Gardiner have served the nation through broadcasting Christian programmes on BBC Radio Wales and Radio Cymru, and BBC Radio 2 and Radio 4.

During this past year, the College's permanent teaching staff, the Revd Dr Rosa Hunt, the Revd Dr Ed Kaneen, the Revd Dr Craig Gardiner, and the Revd 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 Biblical Studies and, particularly, Old Testament Studies, provided by Associate Tutors the Revd Dr Kofi Amissah and the Revd Dr Helen Dare, as well as the ongoing New Testament expertise provided by the Revd Dr Ed Kaneen. The Revd Dr Ed Kaneen has also 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 the Revd Dr Ed Kaneen and the Revd Dr Stephen Roberts represent the College on the various Boards of Studies and other committees.

The College has been ably served by Mrs Helen Ede as College Manager, and Mr Rob Whitehouse as Site Manager. Both have worked hard to develop the financial systems in the College, as well as to maintain the site and prepare it for new tenants who have started to return following lockdown. Ms Holly Terrington has made significant progress in increasing library availability and accessibility.

In April, the College hosted its annual Whitley Lecture, a national public lecture, presented this year by Revd Dr Andy Goodliff. His work on politics and Baptist principles came together in his well-received lecture, 'The Ruling Christ and the Witnessing Church: Towards a Baptist Political Theology'. After delays due to Covid, the Edwin Stephen Griffiths Lecture was delivered by Professor Andrew Clarke on a new model of church developed in Scotland called 'Micro Churches', based on New Testament models of leadership. This was very well received and has led to many further discussions in local churches.

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 Associate Tutor, the Revd 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, the Revd Dr Graham Watts, has provided valuable service this year in overseeing the learning contracts which the College provides for Newly Accredited Baptist Ministers.

Financially, for 2021-22, the College's improved position post Covid was maintained, and it ended the year with an unrestricted surplus of £52,216 (before investment losses and the pension liability release). During the year the Trustees completed their review of long-term options for the future of the College's buildings and site. Opportunities to work with either a commercial or a third sector partner on a mixed academic residential use redevelopment were explored. While the potential to modernise the College's older buildings to meet twenty-first century needs was attractive, all the options considered were at best cost neutral and would have seen the College losing ongoing rental income while retaining unpredictable accommodation costs. The Trustees' decision was to retain the current property, to invest in some long-delayed improvements to the fabric of the buildings (using capital saved in previous years) and to maximise rental income to support the costs of the College's primary function of formation training. At the end of 2021-22 the College's buildings were all at near capacity, the College having secured a longer term third sector tenant for its office accommodation, and new residents for the residential accommodation.

COLEG Y BEDYDDWYR CAERDYDD/CARDIFF BAPTIST COLLEGE

CHAIRMAN'S STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2022

Following the change of College name in 2021, this year the Trustees took the formal decision to change the College's status from unincorporated charity to Charitable Incorporated Organisation, registered the CIO with the Charity Commission, and began planning for the transfer of assets to the new entity, seeking external professional advice to support the process.

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. During the year two Trustees resigned - Eirlys Jones left in the early part of the year, and Paul Phillips at the very end of the year. The College owes them a debt of gratitude for their years of faithful service in providing support and specific practical help on recruitment and accommodation decisions.

Revd Mark Thomas

Chair of Trustees

Dated: 28 June 2023

COLEG Y BEDYDDWYR CAERDYDD/CARDIFF BAPTIST COLLEGE

TRUSTEES REPORT

FOR THE YEAR ENDED 31 AUGUST 2022

The trustees present their report and financial statements for the year ended 31 August 2022.

On 13 July 2021 the charity formally changed its registered name from South Wales Baptist College to Coleg y Bedyddwyr Caerdydd/Cardiff Baptist College. The change was agreed by the trustees on 19 April 2021 but not registered with the Charity Commission until 13 July 2021, registration being the date the change legally took effect.

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 2022

Financial review

The College reported an unrestricted surplus for the year of £52,213 (before investment movement and the release of the pension liability) (2021 – £44,995). The College reported a deficit during the year on its investment portfolio of £37,109 (2021 - surplus £86,872). 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 £810,000 at 31 August 2022 (2021: £690,532). 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 between £400,000 and £500,000 making allowance for revenue that could be earned in that period.

Free reserves at the Balance Sheet date totalled £810,000.

The Trustees will continue to manage the College's financial affairs on a prudent basis, with the objective of strengthening the free reserves position.

Investment policy

The Trustees have adopted a formal investment policy that defines both acceptable risk levels, and a medium term required rate of return. In 2021-22 the rate of return objective was 5% whilst at least maintaining the long-term purchasing power of capital against inflation.

The Trustees noted that investment deficit during the period totalled £37,109 and investment income amounted to £10,958. This gave a total loss of £26,151 on investments totalling £469,885 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 2021 and 31 August 2022.

COLEG Y BEDYDDWYR CAERDYDD/CARDIFF BAPTIST COLLEGE

TRUSTEES REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

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 unincorporated charity 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, maintaining healthy recruitment numbers, and managing the impact of high inflation on College finances.

Plans for future periods

- Run 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.
- Build on earlier consultations the South Wales Baptist Association and the Baptist Union of Wales and others as we continue to plan our reformed teaching programme from September 2024.
- Participate in Baptist discussions about changing patterns of ministerial training and formation and contribute to discussions about the funding of training Baptist ministers.
- Recruit students for September 2023 intake.
- Recruit an additional permanent member of teaching staff
- Recruit and 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.
- Continue to develop healthy working relationships and new partnerships for teaching with other denominations in Wales.
- Explore options to develop programmes of study with the International Baptist Theological Seminary
- Change College communications channels to reflect the new College name, including a new website www.cbc.cymru

COLEG Y BEDYDDWYR CAERDYDD/CARDIFF BAPTIST COLLEGE

TRUSTEES REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

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. Cardiff Baptist College is currently 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, and the co-Principals of the College, Revd Rosa Hunt and Revd 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 (Revd Mark Thomas), co-Principals (Revd Rosa Hunt and Revd 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, Baptist Union of Wales, Cardiff University lecturer pay scales, and local conditions. The remuneration policy was changed in 2021-22 to bring the annual pay award date forward from April 2022 to September 2021. This aligns with the College's financial year and reduces the time lag between the benchmark inflation figure and award date.

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 2022

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 (until October 2021)

Caren Fullerton

Cedric Longville

Revd Mark Thomas (Chairman)

Revd Emma Mohr

Paul Phillips (until August 2022)

Revd Timothy Moody

Key management personnel

Revd Dr. Rosa Hunt (Co-Principal)

Revd Dr. Ed Kaneen (Co-Principal)

Helen Ede (College Manager)

Principal bankers:

Lloyds Bank Plc

Roath Park Branch

Cardiff

CF10 2AG

Stockbrokers:

RBC Brewin Dolphin

2 Central Square

Cardiff

CF10 1FS

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 2022

The trustees report was approved by the Board of Trustees.

C Fullerton

Trustee

Dated: 28 June 2023

COLEG Y BEDYDDWYR CAERDYDD/CARDIFF BAPTIST COLLEGE

STATEMENT OF TRUSTEES RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2022

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 2022 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 2022 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.

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.

COLEG Y BEDYDDWYR CAERDYDD/CARDIFF BAPTIST COLLEGE

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

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

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.

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.

COLEG Y BEDYDDWYR CAERDYDD/CARDIFF BAPTIST COLLEGE

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

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

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.

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

29 June 2023

**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 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 2022

		Unrestricted funds	Endowment funds	Total	As restated Unrestricted funds	As restated Endowment funds	Total
	Notes	2022	2022	2022	2021	2021	2021
		£	£	£	£	£	£
<u>Income and endowments from:</u>							
Donations and legacies	3	269,428	-	269,428	217,539	-	217,539
Charitable activities	4	240,235	-	240,235	161,091	-	161,091
Investments	5	62,161	-	62,161	47,678	-	47,678
Other income	6	4,022	-	4,022	3,479	-	3,479
Total income		575,846	-	575,846	429,787	-	429,787
<u>Expenditure on:</u>							
Raising funds	7	339	-	339	236	-	236
Charitable activities	8	433,379	-	433,379	325,185	-	325,185
Other	11	-	50	50	-	50	50
Total expenditure		433,718	50	433,768	325,421	50	325,471
Net gains/(losses) on investments	14	(37,109)	-	(37,109)	86,872	-	86,872
Net movement in funds		105,019	(50)	104,969	191,238	(50)	191,188
Fund balances at 1 September 2021		2,538,567	50	2,538,617	2,347,329	100	2,347,429
Fund balances at 31 August 2022		2,643,586	-	2,643,586	2,538,567	50	2,538,617

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 2022

		2022		2021 as restated	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	15		623,856		638,035
Investment properties	16		1,210,000		1,210,000
Investments	17		469,885		500,104
			<u>2,303,741</u>		<u>2,348,139</u>
Current assets					
Debtors	18	11,859		11,037	
Cash at bank and in hand		453,242		297,625	
		<u>465,101</u>		<u>308,662</u>	
Creditors: amounts falling due within one year	19	(75,256)		(32,868)	
Net current assets			<u>389,845</u>		<u>275,794</u>
Total assets less current liabilities			<u>2,693,586</u>		<u>2,623,933</u>
Creditors: amounts falling due after more than one year	20		(50,000)		(85,316)
Net assets			<u><u>2,643,586</u></u>		<u><u>2,538,617</u></u>
Capital funds					
Endowment funds - general	22		-		50
Income funds					
<u>Unrestricted funds</u>					
General unrestricted funds		2,163,859		2,047,937	
Revaluation reserve		<u>479,727</u>		<u>490,630</u>	
			<u>2,643,586</u>		<u>2,538,567</u>
			<u><u>2,643,586</u></u>		<u><u>2,538,617</u></u>

The financial statements were approved by the Trustees on 28 June 2023

C Fullerton
Trustee

COLEG Y BEDYDDWYR CAERDYDD/CARDIFF BAPTIST COLLEGE

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2022

		2022		2021 as restated	
	Notes	£	£	£	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	29		100,346		(4,373)
Investing activities					
Increase in cash in portfolio		(8,960)		(507)	
Purchase of investments		(96,250)		(83,887)	
Proceeds on disposal of investments		98,320		78,348	
Investment income received		62,161		47,678	
Net cash generated from investing activities			55,271		41,632
Net cash used in financing activities			-		-
Net increase in cash and cash equivalents			155,617		37,259
Cash and cash equivalents at beginning of year			297,625		260,366
Cash and cash equivalents at end of year			453,242		297,625

COLEG Y BEDYDDWYR CAERDYDD/CARDIFF BAPTIST COLLEGE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

Charity information

Coleg y Bedyddwyr Caerdydd/Cardiff 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, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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 Prior period error

The following prior period adjustments have been made:

DR other gains or losses £59,321

CR pension movement within charitable activities expenditure note 8: (£59,321)

DR rental income within charitable activities income note 4: £38,387

CR rental income within investments note 5: (£38,387)

DR wages and salaries costs within note 12: £20,294

CR social security costs within note 12: (£4,000)

CR other pension costs within note 12: (£16,294)

DR revaluation of investments note 14: £17,068

CR gains on sale of investments note 14: (£17,068)

DR revaluation reserve within the balance sheet and note 22: £399,611

CR unrestricted reserves within the balance sheet and note 22 (£399,611)

The adjustments have not impacted the results for the prior year or the overall reserves balance at the year end. The adjustments relate to reclassification between income and expenditure and balance sheet to balance sheet categories only.

1.3 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

COLEG Y BEDYDDWYR CAERDYDD/CARDIFF BAPTIST COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

1.4 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. See endowment funds note for such conditions.

1.5 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.

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.

1.6 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.

COLEG Y BEDYDDWYR CAERDYDD/CARDIFF BAPTIST COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

1.7 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.

In accordance with transitional arrangements of FRS 102, the charity have elected to use fair value as deemed cost of freehold properties on the date of transition to FRS 102.

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.

1.8 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 2021 and 31 August 2022.

1.9 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.

1.10 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.

COLEG Y BEDYDDWYR CAERDYDD/CARDIFF BAPTIST COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

1.11 Financial instruments

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.

1.12 Taxation

As a registered charity, Coleg y Bedyddwyr Caerdydd/Cardiff 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.

1.13 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

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.

1.14 Retirement benefits

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

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.

COLEG Y BEDYDDWYR CAERDYDD/CARDIFF BAPTIST COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

1.15 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
	2022	2021
	£	£
Donations and gifts	269,228	217,239
Legacies receivable	200	300
	<u>269,428</u>	<u>217,539</u>
Donations and gifts		
Church donations	22,383	20,388
Griffiths Trust	245,405	195,761
Personal	1,440	880
Other	-	210
	<u>269,228</u>	<u>217,239</u>

COLEG Y BEDYDDWYR CAERDYDD/CARDIFF BAPTIST COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

4 Charitable activities

	2022	As restated 2021
	£	£
Partnership income	50,000	-
Rental income	44,995	26,546
Fees	145,240	134,545
	<u>240,235</u>	<u>161,091</u>

5 Investments

	Unrestricted funds	As restated Unrestricted funds
	2022	2021
	£	£
Rental income	50,866	38,387
Dividends	10,958	9,275
Interest receivable	337	16
	<u>62,161</u>	<u>47,678</u>

6 Other income

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Sundry income	<u>4,022</u>	<u>3,479</u>

COLEG Y BEDYDDWYR CAERDYDD/CARDIFF BAPTIST COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

7 Raising funds

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Advertising	339	236
	<u>339</u>	<u>236</u>

8 Charitable activities

	2022	As restated 2021
	£	£
Staff costs	196,578	186,557
Depreciation and impairment	14,179	14,179
Catering	3,477	1,332
Books	1,176	1,224
Library	5,236	6,012
Prizes	450	500
Pension Liability Interest Charge	1,612	1,908
Pension scheme liability released/ remeasurement (see note 26)	(89,915)	(59,321)
	<u>132,793</u>	<u>152,391</u>
Grant funding of activities (see note 9)	8,849	5,920
Share of support costs (see note 10)	287,063	162,344
Share of governance costs (see note 10)	4,674	4,530
	<u>433,379</u>	<u>325,185</u>

9 Grants payable

	2022	2021
	£	£
Grants to individuals	8,849	5,920
	<u>8,849</u>	<u>5,920</u>

COLEG Y BEDYDDWYR CAERDYDD/CARDIFF BAPTIST COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

10 Support costs

	Support costs	Governance costs	2022 Support costs	Governance costs	2021
	£	£	£	£	£
Staff costs	57,099	-	57,099	59,838	59,838
Operating lease charges	935	-	935	1,848	1,848
Telephone	4,160	-	4,160	882	882
Printing & stationery	4,453	-	4,453	4,634	4,634
Heat, light and water	13,926	-	13,926	15,000	15,000
Cleaning	10,004	-	10,004	12,385	12,385
Insurance	13,522	-	13,522	13,038	13,038
Professional fees	27,684	-	27,684	12,118	12,118
Student Support costs and sundry costs	21,770	-	21,770	10,810	10,810
Amenities & training	401	-	401	165	165
Travel & conference expenses	12,284	-	12,284	1,499	1,499
Repairs and renewals	120,825	-	120,825	30,127	30,127
Audit fees	-	4,674	4,674	-	4,530
	<u>287,063</u>	<u>4,674</u>	<u>291,737</u>	<u>162,344</u>	<u>166,874</u>
Analysed between Charitable activities	<u>287,063</u>	<u>4,674</u>	<u>291,737</u>	<u>162,344</u>	<u>166,874</u>

Governance costs includes payments to the auditors of £4,674 (2021- £4,530) for audit fees.

11 Other

	Endowment funds general 2022	Endowment funds general 2021
Anne Rendell Prize Fund	<u>50</u>	<u>50</u>

12 Trustees

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

COLEG Y BEDYDDWYR CAERDYDD/CARDIFF BAPTIST COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

13 Employees

Number of employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
Teaching staff	4	4
Administrative staff	4	4
	<u>8</u>	<u>8</u>

	2022 £	As restated 2021 £
Employment costs		
Wages and salaries	216,453	210,839
Social security costs	18,625	16,671
Other pension costs	18,599	18,885
	<u>253,677</u>	<u>246,395</u>

Key management personnel

The key management personnel of the charity who are noted in the trustees report received benefits (consisting of gross salary, employer's national insurance contributions and employer's pension contributions) totalling £122,270 (2021: £113,809).

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

14 Net gains/(losses) on investments

	Unrestricted funds 2022 £	As restated Unrestricted funds 2021 £
Revaluation of investments	(33,115)	69,804
Gain/(loss) on sale of investments	(3,994)	17,068
	<u>(37,109)</u>	<u>86,872</u>

COLEG Y BEDYDDWYR CAERDYDD/CARDIFF BAPTIST COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

15 Tangible fixed assets

	Freehold land and buildings £
Deemed cost and cost	
At 1 September 2021	708,930
At 31 August 2022	708,930
Depreciation and impairment	
At 1 September 2021	70,895
Depreciation charged in the year	14,179
At 31 August 2022	85,074
Carrying amount	
At 31 August 2022	623,856
At 31 August 2021	638,035

The property was valued on 17 March 2017 by an independent valuation expert in accordance with RICS Valuation - Professional Standards 2014 UK. .

In accordance with transitional arrangements of FRS 102, the charity have elected to use fair value as deemed cost of freehold properties on the date of transition to FRS 102.

The historical cost of the property was £144,855.

16 Investment property

	2022 £
Fair value	
At 1 September 2021 and 31 August 2022	1,210,000

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 2021 and 31 August 2022. The remaining fixed asset property is used for charitable purposes.

17 Fixed asset investments

COLEG Y BEDYDDWYR CAERDYDD/CARDIFF BAPTIST COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

17 Fixed asset investments

(Continued)

	Listed investments £	Cash in portfolio	Total £
Cost or valuation			
At 1 September 2021	488,124	11,980	500,104
Additions	96,250	-	96,250
Valuation changes	(33,115)	-	(33,115)
Cash movement	-	8,830	8,830
Disposals	(102,184)	-	(102,184)
At 31 August 2022	449,075	20,810	469,885
Carrying amount			
At 31 August 2022	449,075	20,810	469,885
At 31 August 2021	488,124	11,980	500,104

18 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Prepayments and accrued income	11,859	11,037

19 Creditors: amounts falling due within one year

	Notes	2022 £	2021 £
Other taxation and social security		11,749	5,821
Deferred income	21	50,000	-
Trade creditors		396	-
Accruals		13,111	27,047
		75,256	32,868

COLEG Y BEDYDDWYR CAERDYDD/CARDIFF BAPTIST COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

20 Creditors: amounts falling due after more than one year

	Notes	2022 £	2021 £
Deferred income	21	50,000	-
Accruals		-	85,316
		<u>50,000</u>	<u>85,316</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 26 for further details.

21 Deferred income

	2022 £	2021 £
Arising from income in advance	100,000	-
	<u>100,000</u>	<u>-</u>

Deferred income is included in the financial statements as follows:

	2022 £	2021 £
Balance brought forward	-	-
Income received	100,000	-
Income released	-	-
	<u>100,000</u>	<u>-</u>
Balance carried forward	100,000	-

Deferred income relates to partnership income received in advance, relating to financial years ending 2023 and 2024.

COLEG Y BEDYDDWYR CAERDYDD/CARDIFF BAPTIST COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

22 Endowment funds

	Balance at 1 September 2020 £	Movement in funds					Movement in funds					Balance at 31 August 2022 £
		Incoming resources £	Resources expended £	Transfers £	Revaluations gains and losses £	Balance at 1 September 2021 £	Incoming resources £	Resources expended £	Transfers £	Revaluations gains and losses £		
Anne Rendell	100	-	(50)	-	-	50	-	(50)	-	-	-	
	100	-	(50)	-	-	50	-	(50)	-	-	-	

The fund above relates to 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 2022

22 Revaluation reserve

The revaluation reserve relates to the charity's freehold building which was revalued on 17 March 2017.

	As restated Balance at 1 September 2020 £	Movement in funds			As restated Balance at 1 September 2021 £	Movement in funds			Incoming resources £	Movement in funds			Incoming resources £	Movement in funds			Balance at 31 August 2022 £
		Incoming resources £	Resources expended £	Transfers £	Revaluations gains and losses £	Incoming resources £	Resources expended £	Transfers £		Revaluations gains and losses £	Resources expended £	Transfers £		Revaluations gains and losses £	Resources expended £	Transfers £	
Fixed assets	501,533	-	-	(10,903)	-	-	-	(10,903)	-	-	-	(10,903)	-	-	-	(10,903)	479,727
	501,533	-	-	(10,903)	-	-	-	(10,903)	-	-	-	(10,903)	-	-	-	(10,903)	479,727

Transfer

The transfer relates to amounts transferred from the revaluation reserve to unrestricted funds consisting of the difference in the depreciation charge on the revalued property compared to if it was held at cost.

COLEG Y BEDYDDWYR CAERDYDD/CARDIFF BAPTIST COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

24 Analysis of net assets between funds

	Unrestricted funds 2022 £	Endowment funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Endowment funds 2021 £	Total 2021 £
Fund balances at 31 August 2022 are represented by:						
Tangible assets	623,856	-	623,856	638,035	-	638,035
Investment properties	1,210,000	-	1,210,000	1,210,000	-	1,210,000
Investments	469,885	-	469,885	500,104	-	500,104
Current assets/(liabilities)	389,845	-	389,845	275,744	50	275,794
Long term liabilities	(50,000)	-	(50,000)	(85,316)	-	(85,316)
	<u>2,643,586</u>	<u>-</u>	<u>2,643,586</u>	<u>2,538,567</u>	<u>50</u>	<u>2,538,617</u>

25 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:

	2022 £	2021 £
Within one year	329	1,540
Between two and five years	585	-
	<u>914</u>	<u>1,540</u>

26 Events after the reporting date

It is the charity's plans to transfer the assets and the liabilities of the unincorporated charity into a charitable incorporated organisation during the financial year 2023/2024.

In readiness for this a charitable incorporated organisation was registered on 20 April 2022, charity number 1198671 and a resolution was passed on 25 April 2023 to proceed with the transfer.

COLEG Y BEDYDDWYR CAERDYDD/CARDIFF BAPTIST COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

27 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 Co-Principals 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 2022

27 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 was due to take place by 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

At the end of June 2022 the Baptist Pension Scheme signed an agreement with the insurance company Just Group ('Just') to secure members' pension benefits under the Defined Benefit ('DB') Plan. As a result, the Scheme no longer has a shortfall. A revised statement of contributions was announced in July 2022 with deficit contributions from each participating employer in the DB Plan reducing to just £1 per month from August 2022.

Reconciliation of Pension Liability

	2022	2021
Year Ending	£	£
Balance sheet liability at year start	107,447	167,079
Minus deficiency contributions paid	(19,144)	(17,181)
Interest cost (recognised in SoFA)	1,608	2,847
Deficiency liability released	(89,912)	-
Actuarial (gains)/losses on re-measurement of liability (recognised in SoFA)	-	(45,298)
Balance sheet liability at year end	-	107,447

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

28 Related party transactions

Transactions with related parties

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

Employee benefits received by the individual (gross salary, employer's NIC and employer's pension contributions) totalled £29,823 (2021: £28,528). Pension contributions for the individual totalled £2,496 (2021: £2,403).

The legal authority under which the payment was made was relates to a provision in the governing document of the charity.

29 Cash generated from operations	2022 £	2021 as restated £
Surplus for the year	104,969	191,188
Adjustments for:		
Investment income recognised in statement of financial activities	(62,161)	(47,678)
Loss/(gain) on disposal of investments	3,994	(17,068)
Fair value gains and losses on investments	33,115	(69,804)
Depreciation and impairment of tangible fixed assets	14,179	14,179
Difference between pension charge and cash contributions	(107,447)	(74,594)
Movements in working capital:		
(Increase) in debtors	(822)	(206)
Increase/(decrease) in creditors	14,519	(390)
Increase in deferred income	100,000	-
Cash generated from/(absorbed by) operations	100,346	(4,373)
30 Analysis of changes in net funds		
The charity had no debt during the year.		