

COLEG Y BEDYDDWYR CAERDYDD/CARDIFF BAPTIST COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

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 2023

On behalf of the Trustees of Cardiff Baptist College, I am pleased to present our annual report and financial statements for the year ended 31 August 2023.

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.

We were delighted to establish a new partnership with the International Baptist Theological Seminary in Amsterdam. The first of our students participated in the Learning Networks this year in Rome and was very enthusiastic about the experience. We have also 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.

We have been working on a Welsh language strategy for the College and have begun preliminary conversations with the non-Conformist Welsh language denominations of Wales. Our plan is to extend the range of our provision in the Welsh language. We have developed a new public-facing website in Welsh and English which is already bearing fruit in drawing enquiries to the College.

Our Pathways course for local leaders continues to grow, and we have started to plan for an extension to the Pathways programme which we may call Pathways Plus with a view to starting this alongside the new BTh programme in September 2024.

The College seems to be growing in unexpected ways and directions, and so we have taken on two additional permanent tutors as well as continuing to benefit from our team of associate tutors. In addition to those who have joined the Pathways programme, we were pleased to have welcomed 4 students to join us, while sending a further 4 students on into ministry.

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.

COLEG Y BEDYDDWYR CAERDYDD/CARDIFF BAPTIST COLLEGE

CHAIRMAN'S STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

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, the Revd Dr Stephen Roberts, the Revd Dr Helen Dare and Mr Richard Weaver 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 Tutor, the Revd Dr Kofi Amissah. Both the Revd Dr Ed Kaneen and the Revd Dr Stephen Roberts represent the College on the various Boards of Studies and other committees. Ed has also joined the Management Board of Cardiff University's Centre for the Study of Islam.

The College has continued to be provided with excellent support from Mrs Helen Ede the College Manager. Mrs Heather Lewis joined the administrative team in December 2022 as Finance and Facilities Officer. Both have worked hard to develop and run the College's financial systems, and working with our cleaner Ms Ceri-Ann Potton, have ensured that the College buildings and overall site are maintained to a high standard for all those who work and live here. Throughout the year the College's residential hostel and wider office space were nearly fully occupied by tenants. The post Covid pandemic recovery of this part of our income was the culmination of very hard work by Mrs Helen Ede and our previous Site Manager Mr Rob Whitehouse who left at the start of the year. We are truly grateful for their contribution to supporting the financial sustainability of the College. We were delighted to be able to expand the role of the third member of the administration team, Ms Holly Terrington, to cover academic administration, communications and website work in addition to her original work as the College Librarian.

The annual Edwin Stephen Griffiths Lecture, 'In place and out of place' was delivered by Revd Dr Mike Pears of the International Baptist Theological Seminary in March. The lecture considered the shaping of effective mission through a deeper understanding of place, a theme built on further in a follow-on workshop 'Fresh Ways of seeing your neighbourhood'. In June, the College hosted its annual Whitley Lecture, a national public event, presented this year by Revd Dr. Linda Hopkins on 'Learning from Young People's Experience of Baptist Communion: Re-envisioning the Meal as a Space for Nurturing Faith'. During the lecture and a facilitated workshop on 'Children, Young People and Worship' participants were able to explore the role played by sacred spaces in encouraging younger generations.

Following last year's Trustees' decision to retain all the College's property in Cardiff the College continued to invest in some long-delayed improvements to the fabric of the buildings. It proved possible to maximise rental income to support the costs of the College's primary function of formation training. Throughout the year, the College's buildings were all at near capacity, the College having happily secured a longer term third sector tenant in 2021 for its office accommodation, and new residents for the residential accommodation.

Following the change of College name in 2021, and last year's Trustees' decision to change the College's status from unincorporated Charity to Charitable Incorporated Organisation, Trustees continued to plan for the transfer of assets to the new entity, seeking external professional advice to support the process, particularly on pension implications. 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. I was delighted to welcome the Revd Sarah Butt, a relatively recent graduate of the College, as a new Trustee in January 2023.

C Fullerton
Trustee

Date: 27 June 2024

COLEG Y BEDYDDWYR CAERDYDD/CARDIFF BAPTIST COLLEGE

TRUSTEES REPORT

FOR THE YEAR ENDED 31 AUGUST 2023

The trustees present their report and financial statements for the year ended 31 August 2023.

The financial report shows an exceptionally challenging year for the College as a result of rising costs and lower fee income, the latter reflecting what we hope is the very end of the impact on us of the Covid pandemic. The report shows how grateful we must be for the faith, foresight and generosity of those who came before us – their legacies of buildings and gifts have supported us financially through this year. Our thanks also go to all those churches, individuals and organisations that support us financially today. Their support is a vital part of sustaining the life and work of the College as we look forward. We also give thanks that this year has been a year of new beginnings, new partnerships at home and abroad, new staff to build the College's academic and financial capacity, and new tenants to build a wider College community. These developments are the result of very hard work by those who lead and work at the College. As Trustees we recognise just how blessed the College is in its staff. This report provides a snapshot of their work, but also an opportunity to thank them for all that they do.

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

Cardiff Baptist College is a faith - based formational community that has been preparing men and women for Ministry in all spheres of life since 1807.

The Objectives 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 2023

Financial review

In common with many other organisations College expenditure during the year was affected by unprecedented increases in UK energy prices, and consequent wider cost of living pressures. In line with their pay policy for the College the Trustees followed the Baptist Union of Great Britain stipend recommendation and awarded a salary increase of a little over 7 per cent for all staff from the beginning of the year. The increases in energy unit costs and staff costs were magnified by additional energy consumption thanks to increased occupancy of the College's residential accommodation, and the strengthening of permanent staff resources at the start of the year. Overall, expenditure for the year rose by a little more than 18 per cent.

The increase in expenditure was partly offset by increases in rental income, and improvements in the distribution to the College from the investments held by the Griffiths Trust, with overall income rising by 9 per cent. In total, the College reported an unrestricted surplus for the year of £9,071 before investment movement (2022 - £142,128) and a deficit on its investment portfolio of £4,939 (2022 – a deficit of £37,109).

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, whilst acknowledging the significant contribution made by rental incomes and the regular distribution from the ES Griffiths Trust Legacy to supporting the key charitable objectives of the College.

Reserves policy

It is the policy of the Trustees to ensure that the College maintains sufficient free reserves to fulfil its obligations to 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 the order of £500,000, making allowance for revenue that could be generated in that period.

The College has unrestricted reserves, excluding those held as tangible fixed assets, investment properties and endowment funds of £828,041 at 31 August (2022 - £809,730). This balance represents the Charity's free reserves. The Trustees will continue to manage the College's financial affairs on a prudent basis, with the objective of maintaining 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 2022-23 the required rate of return was 5 per cent, whilst at least maintaining the long-term purchasing power of capital against longer term inflation pressures.

The Trustees noted that the investment deficit during the period totalled £4,939, and investment income amounted to £13,606. This gave a small gain of £8,661 in investments which totalled £475,481.

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 statement.

The Investment managers during this year were Brewin Dolphin.

The Charity also holds three investment properties which were valued at 17 March 2017. The Trustees consider the market value at 17 March 2017 reflects their fair value at 31 August 2022 and 31 August 2023.

COLEG Y BEDYDDWYR CAERDYDD/CARDIFF BAPTIST COLLEGE

TRUSTEES REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

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. The fixed agenda items on each Trustees' quarterly meeting – Co-Principals' Report, Students' Report (prepared and delivered by a student representative), and Financial Report address these risks.

Plans for future periods

The work of the College continues to develop. In particular for 2023-24 we expect to:

- consult and plan for the development of a reformed teaching programme for September 2024 including a new BTh programme and an enhanced Pathways programme;
- work closely with Cardiff University to re-negotiate the terms of our partnership working arrangement from September 2024;
- build on our long-term links with the Baptist Union of Wales and the South Wales Baptist Association and develop stronger links with the Presbyterian Church of Wales to reflect the needs of today's Churches and potential students in our programmes;
- develop our Welsh Language Strategy and teaching provision in Welsh, working closely with non-Conformist Welsh language denominations across Wales;
- explore wider sources of funding, including grant funding, and specific funding from churches to develop the College's teaching in new areas, and build the financial resilience of the College;
- improve the fabric of our buildings to support energy efficiency, and seek better, more financially sustainable options for energy provision; and
- carry out the final elements of due diligence needed to complete the move to CIO, hopefully from September 2024.

COLEG Y BEDYDDWYR CAERDYDD/CARDIFF BAPTIST COLLEGE

TRUSTEES REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

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. 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 this Trustees' report, the Co-Principals of the College (Revd Rosa Hunt and Revd Ed Kaneen) and the College Manager Mrs Helen Ede.

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 (BUGB), Cardiff University lecturer pay scales, the National Living Wage, and local conditions. For this year (as last year) the annual pay award was paid in September at the start of the academic (and financial) year. Compared to previous years this had reduced the time lag between the benchmark inflation figure used by BUGB and pay 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 2023

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

Revd Sarah Butt (appointed January 2023)

Caren Fullerton

Cedric Longville

Revd Mark Thomas (Chairman)

Revd Emma Franks

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 2023

The trustees report was approved by the Board of Trustees.

C Fullerton
Trustee

27 June 2024

COLEG Y BEDYDDWYR CAERDYDD/CARDIFF BAPTIST COLLEGE

STATEMENT OF TRUSTEES RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2023

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 2023 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 2023 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.

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 auditor's 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

27 June 2024

**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

FOR THE YEAR ENDED 31 AUGUST 2023

	Notes	Unrestricted funds 2023 £	Unrestricted funds 2022 £	Endowment funds 2022 £	Total 2022 £
<u>Income and endowments from:</u>					
Donations and legacies	3	320,927	269,428	-	269,428
Charitable activities	4	208,770	240,235	-	240,235
Investments	5	97,394	62,161	-	62,161
Other income	6	1,838	4,022	-	4,022
Total income		628,929	575,846	-	575,846
<u>Expenditure on:</u>					
Raising funds	7	5,418	339	-	339
Charitable activities	8	614,440	433,379	-	433,379
Other	12	-	-	50	50
Total expenditure		619,858	433,718	50	433,768
Net gains/(losses) on investments	14	(4,939)	(37,109)	-	(37,109)
Net movement in funds		4,132	105,019	(50)	104,969
Fund balances at 1 September 2022		2,643,586	2,538,567	50	2,538,617
Fund balances at 31 August 2023		2,647,718	2,643,586	-	2,643,586

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 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Tangible assets	16	609,677		623,856	
Investment property	17	1,210,000		1,210,000	
Investments	18	475,481		469,885	
		<u>2,295,158</u>		<u>2,303,741</u>	
Current assets					
Debtors	19	13,542		11,859	
Cash at bank and in hand		432,643		453,242	
		<u>446,185</u>		<u>465,101</u>	
Creditors: amounts falling due within one year	20	(93,625)		(75,256)	
Net current assets		<u>352,560</u>		<u>389,845</u>	
Total assets less current liabilities		<u>2,647,718</u>		<u>2,693,586</u>	
Creditors: amounts falling due after more than one year	21	-		(50,000)	
Net assets		<u><u>2,647,718</u></u>		<u><u>2,643,586</u></u>	
Income funds					
<u>Unrestricted funds</u>					
General unrestricted funds		2,178,894		2,163,859	
Revaluation reserve		468,824		479,727	
		<u>2,647,718</u>		<u>2,643,586</u>	
		<u><u>2,647,718</u></u>		<u><u>2,643,586</u></u>	

The financial statements were approved by the Trustees on 27 June 2024

C Fullerton
Trustee

COLEG Y BEDYDDWYR CAERDYDD/CARDIFF BAPTIST COLLEGE

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	29		(107,458)		100,346
Investing activities					
Purchase of investments		(101,668)		(96,250)	
Proceeds from disposal of investments		82,721		98,320	
Investment income received		97,394		62,161	
Net cash generated from investing activities			78,447		64,231
Net cash used in financing activities			-		-
Net (decrease)/increase in cash and cash equivalents			(29,011)		164,577
Cash and cash equivalents at beginning of year			474,052		309,475
Cash and cash equivalents at end of year			445,041		474,052
Relating to:					
Cash at bank and in hand			432,643		453,242
Cash in investment portfolio			12,398		20,810

COLEG Y Bedyddwyr Caerdydd/CARDIFF BAPTIST COLLEGE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2023

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 Going concern

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern.

The Charity is currently in the process of changing its status from an Unincorporated Charity to a Charitable Incorporated Organisation (CIO). The Charity's intention is to transfer all assets, liabilities and activities into the CIO and it is anticipated that this process will be completed during the 2024/25 financial year.

As a result, the financial statements have been prepared on a basis other than that of 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. See endowment funds note for such conditions.

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 2023

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.

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.

1.7 Investment property

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 2022 and 31 August 2023.

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 2023

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, 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.

1.11 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.

1.12 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 2023

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.

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
	2023	2022
	£	£
Donations and gifts	320,927	269,228
Legacies receivable	-	200
	<u>320,927</u>	<u>269,428</u>
Donations and gifts		
Church donations	31,382	22,383
Griffiths Trust	287,385	245,405
Personal	1,860	1,440
Other	300	-
	<u>320,927</u>	<u>269,228</u>

COLEG Y BEDYDDWYR CAERDYDD/CARDIFF BAPTIST COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

4 Charitable activities

	2023 £	2022 £
Partnership income	50,000	50,000
Rental income	65,646	44,995
Fees	93,124	145,240
	<u>208,770</u>	<u>240,235</u>

5 Investments

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Rental income	80,300	50,866
Dividends	13,606	10,958
Interest receivable	3,488	337
	<u>97,394</u>	<u>62,161</u>

6 Other income

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Sundry income	1,838	4,022

7 Raising funds

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
<u>Fundraising and publicity</u>		
Advertising	2,347	339
<u>Investment management</u>	3,071	-
	<u>5,418</u>	<u>339</u>

COLEG Y BEDYDDWYR CAERDYDD/CARDIFF BAPTIST COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

7 Raising funds (Continued)

8 Charitable activities

	2023 £	2022 £
Staff costs	234,571	196,578
Depreciation and impairment	14,179	14,179
Catering	3,498	3,477
Books	1,632	1,176
Library	6,465	5,236
Prizes	550	450
Pension Liability Interest Charge	-	1,608
Pension scheme liability released/ remeasurement (see note 27)	-	(89,911)
	<u>260,895</u>	<u>132,793</u>
Grant funding of activities (see note 9)	21,720	8,849
Share of support costs (see note 10)	316,699	287,063
Share of governance costs (see note 10)	15,126	4,674
	<u>614,440</u>	<u>433,379</u>

9 Grants payable

	2023 £	2022 £
Grants to individuals	21,720	8,849
	<u>21,720</u>	<u>8,849</u>

COLEG Y BEDYDDWYR CAERDYDD/CARDIFF BAPTIST COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

10 Support costs

	Support costs	Governance costs	2023	Support costs	Governance costs	2022
	£	£	£	£	£	£
Staff costs	84,340	-	84,340	57,099	-	57,099
Operating lease charges	1,588	-	1,588	935	-	935
Telephone	2,199	-	2,199	4,160	-	4,160
Printing & stationery	5,696	-	5,696	4,453	-	4,453
Heat, light and water	86,728	-	86,728	13,926	-	13,926
Cleaning	3,653	-	3,653	10,004	-	10,004
Insurance	15,909	-	15,909	13,522	-	13,522
Professional fees	8,857	-	8,857	27,684	-	27,684
Student Support costs and sundry costs	10,944	-	10,944	21,770	-	21,770
Amenities & training	257	-	257	401	-	401
Travel & conference expenses	12,480	-	12,480	12,284	-	12,284
Repairs and renewals	84,048	-	84,048	120,825	-	120,825
Audit fees	-	15,126	15,126	-	4,674	4,674
	<u>316,699</u>	<u>15,126</u>	<u>331,825</u>	<u>287,063</u>	<u>4,674</u>	<u>291,737</u>
Analysed between Charitable activities	<u>316,699</u>	<u>15,126</u>	<u>331,825</u>	<u>287,063</u>	<u>4,674</u>	<u>291,737</u>

Governance costs includes payments to the auditors of £15,126 (2022- £4,674) for audit fees.

The increase in audit fees is attributable to increasing levels of regulation and enhanced requirements and procedures for all audits for periods commencing after 15 December 2021, which in turn have increased the amount of time it takes to complete an audit and have also had a significant impact on the availability of experienced audit resource.

11 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.

12 Other

	Total Endowment funds general
	2023 £
Anne Rendell Prize Fund	-
	<u>50</u>

COLEG Y BEDYDDWYR CAERDYDD/CARDIFF BAPTIST COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

13 Employees

The average monthly number of employees during the year was:

	2023 Number	2022 Number
Teaching staff	6	4
Administrative staff	4	4
Total	10	8

Employment costs

	2023 £	2022 £
Wages and salaries	275,331	216,453
Social security costs	19,805	18,625
Other pension costs	23,775	18,599
	318,911	253,677

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 £131,647 (2022: £122,270).

The full time equivalent number of staff employed throughout the year was 6.32 (2022: 5.42).

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

14 Net gains/(losses) on investments

	Unrestricted funds	Unrestricted funds
	2023 £	2022 £
Revaluation of investments	(5,295)	(33,115)
Gain/(loss) on sale of investments	356	(3,994)
	(4,939)	(37,109)

15 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

COLEG Y BEDYDDWYR CAERDYDD/CARDIFF BAPTIST COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

16 Tangible fixed assets

	Freehold land and buildings £
Cost	
At 1 September 2022	708,930
At 31 August 2023	708,930
Depreciation and impairment	
At 1 September 2022	85,074
Depreciation charged in the year	14,179
At 31 August 2023	99,253
Carrying amount	
At 31 August 2023	609,677
At 31 August 2022	623,856

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.

17 Investment property

	2023 £
Fair value	
At 1 September 2022 and 31 August 2023	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 2022 and 31 August 2023. 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 2023

18 Fixed asset investments

	Listed investments £	Cash in portfolio	Total £
Cost or valuation			
At 1 September 2022	449,075	20,810	469,885
Additions	101,668	-	101,668
Valuation changes	(5,295)	-	(5,295)
Cash movement	-	(8,412)	(8,412)
Disposals	(82,365)	-	(82,365)
At 31 August 2023	463,083	12,398	475,481
Carrying amount			
At 31 August 2023	463,083	12,398	475,481
At 31 August 2022	449,075	20,810	469,885

19 Debtors

	2023 £	2022 £
Amounts falling due within one year:		
Prepayments and accrued income	13,542	11,859

20 Creditors: amounts falling due within one year

	Notes	2023 £	2022 £
Other taxation and social security		6,892	11,749
Deferred income	22	54,573	50,000
Trade creditors		396	396
Accruals and deferred income		31,764	13,111
		93,625	75,256

21 Creditors: amounts falling due after more than one year

	Notes	2023 £	2022 £
Deferred income	22	-	50,000

COLEG Y BEDYDDWYR CAERDYDD/CARDIFF BAPTIST COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

22 Deferred income

	2023 £	2022 £
Arising from income in advance	54,573	100,000

Deferred income is included in the financial statements as follows:

	2023 £	2022 £
Balance brought forward	100,000	-
Income received	4,573	100,000
Income released	(50,000)	-
Balance carried forward	54,573	100,000

Deferred income relates to partnership income received in advance, relating to financial year ending 2024, and rental income relating to 2024.

23 Endowment funds

	Balance at 1 September 2021 £	Resources expended £	Balance at 1 September 2022 £	Movement in funds Incoming resources £	Balance at 31 August 2023 £
Permanent endowments					
Anne Rendell	50	(50)	-	-	-
	50	(50)	-	-	-

COLEG Y BEDYDDWYR CAERDYDD/CARDIFF BAPTIST COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

23 Revaluation reserve

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

	As restated	Movement in funds				As restated	Movement in funds				
	Balance at 1 September 2021	Incoming resources	Resources expended	Transfers	Revaluations gains and losses	Balance at 1 September 2022	Incoming resources	Resources expended	Transfers	Revaluations gains and losses	Balance at 31 August 2023
	£	£	£	£	£	£	£	£	£	£	£
Fixed assets	490,630	-	-	(10,903)	-	479,727	-	-	(10,903)	-	468,824
	<u>490,630</u>	<u>-</u>	<u>-</u>	<u>(10,903)</u>	<u>-</u>	<u>479,727</u>	<u>-</u>	<u>-</u>	<u>(10,903)</u>	<u>-</u>	<u>468,824</u>

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 2023

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:

	2023 £	2022 £
Within one year	2,758	329
Between two and five years	9,414	585
	<u>12,172</u>	<u>914</u>

26 Events after the reporting date

It is the intention of the Trustees to transfer the assets and the liabilities of the unincorporated charity into a charitable incorporated organisation during the financial year 2024/2025.

In readiness for this a charitable incorporated organisation of the same name as the unincorporated charity was registered on 20 April 2022, with charity number 1198671. 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 2023

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).

All principals and staff are eligible to join the Scheme.

From January 2012, pension provision is being made through the Defined Contribution (DC) Plan within the Scheme. In general, members pay 8% of their Pensionable Income and employers pay 6% of members' Pensionable Income into individual pension accounts, which are operated and managed on behalf of the Pension Trustee by Legal and General Life Assurance Society Limited. In addition, the employer pays a further 4% of Pensionable Income to cover Death in Service Benefits, administration costs, and an associated insurance policy which provides income protection for Scheme members in the event that they are unable to work due to long-term incapacity. This income protection policy has been insured by the Baptist Union of Great Britain with 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 2023

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 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

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

	2023	2022
Year Ending	£	£
Balance sheet liability at year start	-	107,447
Minus deficiency contributions paid	-	(19,144))
Interest cost (recognised in SoFA)	-	1,608
Deficiency liability released	-	(89,911)
Actuarial (gains)/losses on re-measurement of liability (recognised in SoFA)	-	-
Balance sheet liability at year end	-	-

28 Related party transactions

COLEG Y BEDYDDWYR CAERDYDD/CARDIFF BAPTIST COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

28 Related party transactions (Continued)

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 £31,914 (2022: £29,823). Pension contributions for the individual totalled £2,650 (2022: £2,496).

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	2023 £	2022 £
Surplus for the year	4,132	104,969
Adjustments for:		
Investment income recognised in statement of financial activities	(97,394)	(62,161)
(Gain)/loss on disposal of investments	(356)	3,994
Fair value gains and losses on investments	5,295	33,115
Depreciation and impairment of tangible fixed assets	14,179	14,179
Difference between pension charge and cash contributions	-	(107,447)
Movements in working capital:		
(Increase) in debtors	(1,683)	(822)
Increase in creditors	13,796	14,519
(Decrease)/increase in deferred income	(45,427)	100,000
Cash (absorbed by)/generated from operations	(107,458)	100,346

30 Analysis of changes in net funds

The charity had no debt during the year.