



# West of England Baptist Association

(A Company limited by Guarantee)

## ANNUAL REPORT & ACCOUNTS

for the year ended 31 December 2014

Registered in England Company number: 4326752

Charity number: 1092443

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## **Report of the trustees for the year ended 31 December 2014**

The trustees are pleased to present their report with financial statements of the charity for the year ended 31 December 2014.

Reference and administrative information set out on page 12 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association, the Accounting and Reporting by Charities: Statement of Recommended Practice (SORP Revised 2005) and in accordance with the special provisions for small companies under the Companies Act 2006.

### **Objectives and Activities**

#### **Public Benefit**

The trustees have considered the Commission's guidance on public benefit under the Charities Act 2011 and, in particular, the specific guidance on charities for the advancement of religion. Detail of the work of the Association is covered more completely in the Activities and Achievements sections of this report.

#### **Objects of the charity**

The principal object of the charity continues to be the advancement of the Christian faith, especially by the means of, and in accordance with, the principles of the Baptist denomination as set out for the time being in the Declaration of Principle of the Baptist Union of Great Britain.

In fulfilling the objects of the Association trustees devised a purpose statement a few years ago which remains core to programmes and activities:-

“The West of England Baptist Association is a fellowship of Baptist Churches Encouraging each other and Growing healthy congregations

by Enriching relationships, Developing ministry and Enabling fruitful mission”.

## Achievements and Performance

### WEBA activities throughout 2014: -

The trustees have devised a number of varied activities to meet its objectives and aspirations; some of the significant activities are illustrated below.

As an association we began the year focusing on five strategies borne out of our, "Towards a Missional Association" paper adopted in 2013.

To: -

- i. Developing Ministerial Recognition.
- ii. Developing Ministers mentoring beyond Newly Accredited Ministers (NAMs).
- iii. Initiating new learning communities – for leadership teams & 'pioneers'.
- iv. Establishing a sustainable financial model.
- v. Providing a framework to adopt new missional communities.

This was a challenging agenda by any stretch of the imagination, a journey that we would embark on together, giving leadership and encouragement to the whole association. However, journeys are always full of surprises whether they are long or short, there is always an element of the unknown about them. Journeys are sometimes enjoyable other times perplexing and arduous. However, for many the planning of the journey with its hopes and promise holds more than in the arriving and so we began our journey, *together*.

Discussion took place during the year regarding the need for the appointment of a third Regional Minister. This was in relation to: -

- I. The sharing and developing of missional leadership with the Regional Team.
- II. The Pastoral Development of ministers, Church leaders and Cluster Facilitators.
- III. The developing of Networks to help in the growth and support of church and community across the association.

Following the usual round of interviews of candidates we were delighted to be able to offer the position to the Revd Gary Woodall formerly in Pastoral ministry at Nailsea Nr. Bristol. Gary comes with not only a wealth of pastoral experience but also a proven track record of developing and growing local congregations in new and innovative ways. Gary takes up his appointment on the 1<sup>st</sup> January 2015. As part of our ongoing strategy to “establishing a sustainable financial model” it was essential to form a core finance team. We therefore decided that it was necessary to recruit a Finance Manager to administer the bookkeeping and having general oversight of the day-to-day finances of the association. This was the first paid appointment in this role and it was important that we selected the right person to this key position. Matt Filsell was the successful applicant and was pleased to accept our offer of the position. Matt has a wide accounting experience both in the private and public sector and is in membership with one of our Wiltshire churches. Matt took up his appointment in early November. WEBA staff team signed up to a course entitled, “Strengthfinders” run by the Revd. Anne Carter. The course featured a review of the knowledge and skills that we each have acquired providing a basic sense of our abilities with an awareness and understanding of our natural talents. Each team member was involved in a personal interview with Anne followed by a day’s group work involving the whole team. This was a positive evaluation to provide true insight into the core reasons behind our successes. This proved to be a very challenging and revealing experience for all. Time well spent a worthwhile experience if not just a little overawing. We reported last year, “the Trustees resolved to work through a process examining every area of Association life working with a view towards achieving a balanced budget within a period of three years”. We are delighted to report that this has been achieved this year, a balanced budget.

## **WEBA’s Year**

At the beginning of February we held our Minsters conference at Sidmouth in Devon. As usual the conference was well attended by ministers from across the association and was memorable not only for the excellent and informed teaching of the guest speaker Dr. Chris Wright of the “Langham Partnership” but also for the great storms and flooding that beset Sidmouth and the surrounding countryside. This was tragic and unforgettable particularly for the communities that were affected. We were also privileged to also welcome our newly appointed General Secretary, Revd. Lynn Green who brought a personal word of

welcome and challenge.

At the end of March we were we were privileged to welcome the international speaker and writer the Revd. Geoff Lucas. Geoff is the teaching pastor at Timberline Church, Colorado, an ambassador for Compassion UK and a regular broadcaster on Christian television and radio. On the theme of “Leadership for Tomorrow Today” Geoff led a thought provoking and challenging days teaching for the leadership from across the association. We were all blessed from the evening celebration, at which he spoke, held at Counterslip BC. All in all, an informative and inspiring time flavoured with the ingredient of Geoff’s very distinct humour.

In April we hosted an incredibly successful trustees training session. Over 100 ministers, church secretaries and treasurers attended a Saturday morning “Managing Trustee” training session given by Malcolm Broad the Baptist Union’s treasurer. From questions on the day and later feedback this was a much appreciated and beneficial event for all concerned. We plan to make these seminars a regular feature of our programme.

In July we welcomed Revd. Chris Ellis, BUGB President, to our association to lead a quiet day. This was held at one of our Somerset churches, Bagley, in one of the loveliest of settings. A group of leaders from the association gathered for a day of scripture reading, quiet reflection and prayer. A special time much appreciated by all who took part. During this month we also held our AGM at St. Marks Baptist Church in the centre of Bristol. It was a joy to welcome so many from all parts of the association. In addition we shared a fantastic international buffet in the community café. We worshipped together and heard from two of our small missional communities at Portishead and the Ebenezer project in Farmhill, Stroud. The association’s annual report and accounts were received by the meeting.

In October we held a leadership teams day at our church at Westbury on Trym. This was lead by Revd. Ian Coffey, Vice Principal of Moorlands Bible College in Christchurch and was entitled, “Leadership Teams for Tomorrow”. Ian shared his wisdom and experiences of what makes a team really effective. It seems that WEBA churches understand at least the concept of this since thirty teams attended, approx. 180 people in all.

## **Jesus be the Centre**

This theme was to evidence our core conviction of Jesus needing to be at the heart of all we are and do, in each and every church community. Our focus in support of this theme was supported by the Geoff Lucas Leaders day, Neil Hudson speaking at a Leaders day in Cheltenham, Chris Ellis leading a quiet day in Somerset and Ian Coffey heading up a Leaders day in Bristol.

## **Supporting Church Planters**

Two of our Regional Ministers Alisdair Longwill and Alison Boulton launched a new group to provide support, mutual encouragement and a learning community for those newly engaging in church planting across the association. There are already a number of new, fledgling causes, missional communities within the association to which we are looking to give leadership and support. These are exciting new opportunities for kingdom development and growth. We have therefore devised a method of support and guidance for them in the form of "Steering Groups" made up of members from neighboring Baptist churches. This is proving helpful and will need developing further.

## **Bussage Nr. Stroud**

A Messy Church event was held in the Primary School (a joint event with the Anglicans) in March at which there were over 40 'guests'. Alisdair Longwill, with other local Christians, conducts assemblies in the Primary school (about one every 4-6 weeks). Alisdair was invited onto the School's Communications Committee. Following a response to a community questionnaire, 19 responses were received indicating interest in a late Sunday afternoon event that sought to facilitate a greater sense of community and assist in the moral development of children and families. We are now reflecting on the best 'shape' of event to engage with those who have expressed an interest.

## **Cluster Facilitators**

The group of facilitators met for a day in November. This was a positive and helpful meeting. With an over night planned for June 2015. It's recognised that each 'cluster' is at a different starting place, but there is a positive enthusiasm to encourage one another to develop. The Forest Cluster held a very successful day, facilitated by Alisdair with Rural Ministries.

## **Association Partnership**

Our partnership, with three other geographically linked associations, as reported last year, has grown and developed establishing agreement for collaboration in three particular areas: -

- Ministerial Recognition.
- A combined Staffing Advisory Group
- Mission across BUGB

Confirmation of the success in our working together came during the summer with an unexpected grant from Baptist Insurance of £10,000. This was an amazing source of encouragement, now we would be better placed to constructively begin our missional collaboration.

## **Home Mission Grant Applications**

The WEBA HM Grants Awards Group met in May to consider 19 grant applications. The recommendations from the group were submitted to the Partnership Grants Awards group in July for their further reflection. We are seeking to work towards the usual period for a church being in receipt a grant being 3 years with a maximum ceiling of 6 years.

## **Forge Training**

The “Forge Training”, in collaboration with Springdale College, for missional leadership, is proceeding. We are discussing with our Association Partners regarding how best to pursue this. It is very likely we will look to use Bristol as one of the seven national learning hubs. We are asking each of our four partner associations to share in the financing of this for 2015. This would represent a maximum cost to each of them, if we had no students! However, rather than simply underwriting this we are asking our partners to contribute, to act as a ‘bursary’ pot, primarily so we can make provision for those on low incomes (such as some of pioneers who are working part-time, or ‘tent-making’ in some way).

## **New WEBA Website**

Together with the data base, the new website has long been in the planning. As a result of long and detailed preparation the success of the new website's launch has been largely due to the tenacity and commitment of Ruth Whiter, one of the WEBA team. This will not only provide us with a completely fresh look but also our churches with ready access to information and news so as to draw the family closer together as an effective association networking together.

## **Conclusion**

As we journey together we are all to aware of the challenges set before us and the demands made on the churches with whom we seek to work. Whether it is supporting a struggling work or encouraging a new missional cause, these are always accompanied by joys and disappointments. We also have to be ever aware of what are the benefits and support that we provide for our network of churches, particularly in the facilitating, training and development of its ministers and leadership teams. As we look towards 2015 we trust that we can build and extend the work already begun this year.

## **Financial review**

The charity has claimed exception from preparing consolidated accounts as permitted by the Accounting and Reporting by Charities: Statement of Recommended Practice (SORP Revised 2005) and Accounting Regulations 2008, as the income of the group is below the relevant threshold of £500,000. Individual accounts for each subsidiary have been prepared with WEBTC (West) and WEBTC (East) being independently examined. Copies of the accounts are available from the charity's registered office.

The statement of financial activities for the year is set out on page 19. The charity reports an overall surplus of £13,818 across all funds. The unrestricted General Fund had an operating surplus of £40,843. During the year repayments on support loans were received from churches within the Association resulting in an outstanding balance of £137,617 in support loans.

The principal source of funding remains the Home Mission refund from the Baptist Union of Great Britain. The amount of the refund is governed by how

much individual churches decide to donate directly to the Baptist Union and therefore the Association has no control over this part of its income. The Association funding continues to be the subject of a major Financial Review of both the finances of the Baptist Union of Great Britain and the 13 Associations. In 2014 the charity received a total grant of £270,198, which is split between the Home Mission funding paid on to individual churches and the Association core grant. This replaced the previous basis of a core grant and a refund of contributions. This grant was used to fund the cost of the regional ministers and regional based support staff who in turn help to support churches in the achievement of their objectives.

The Trustees are indebted to the substantial support provided by the many volunteers but are unable to put any financial consideration in the accounts as it is not able to quantify such assistance.

The subsidiary companies, which are non-profit making, provide support to the churches regarding church and manse properties held in trust and a full payroll service for those churches who wish to outsource payroll to an in-house provider.

### **Subsidiary companies**

Several of our churches are faced with important decisions as to what to do with their existing buildings, particularly where there are restrictions because of listed building status. The board members of the Trust companies continue to give unstintingly of their time and experience in assisting those churches under their care.

With the introduction of the HMRC Real Time Information (RTI) requirements, the Payroll Company has continued to grow under the expert attention of the staff employed by the Payroll Company, where the company has extended its services to both churches in other Associations and the staff of other Associations. This is an increasingly important service provided to churches and seen as best practice amongst other Associations in the Baptist Union.

We are grateful for the support provided to the subsidiary companies by volunteers who give valued specialist advice both to the Trust Officer and the churches in relation to their buildings.

### **Related parties**

The charity is a member of the Baptist Union of Great Britain. The Association

currently receives significant grant funding from the Baptist Union and details of this are set out in the notes to the financial statements.

See also under 'Organisation' for details of relationships with subsidiary companies.

## **Investment performance**

At the commencement of the year the decision was taken to merge the Association portfolio with that held by the Trust Company, in order to minimize the proposed increases in management fees and to improve performance. The current economic climate continues to affect the stock market values and some further losses were incurred during the year despite the anticipated improved performance of managing a larger portfolio. A comparison with earlier years' performance is therefore not truly reflective of the movements in the investment holdings as savings were made on management charges and some restructuring took place. The ethical basis of investment does continue to have some impact on the actual performance of its portfolio against the overall market trends shown in market benchmarks. The Trust Company Trustees regularly monitor performance trends and, following a review at the year-end which showed a further decline in performance, a recommendation was put to the Association Trustees that the investment managers be changed.

## **Principal Financial Management Policies**

### **Reserves policy**

The need for reserves: the Association needs both short and long-term reserves where income derived from these sustains current and future cash flow and helps to meet projected expenditure. The Association is financially supported by an annual grant from the Baptist Union of Great Britain Home Mission (BUGB). During the year the Finance Team and Trustees initiated a three year funding strategy to ensure that it was able to sustain the Association's missional strategy.

The level of reserves:

In considering the appropriate level of reserves the Board took into account the review of staffing requirements and their strategic policies. Given the on-going review of the BU grant the existing level of reserves was to be retained although consideration was to be given to try to utilise some of the reserves to fund mission opportunities.

Where reserves are held: the Board's policy at present is to hold the reserves in

the Income Fund of the Association which is invested with Barclays Wealth. A reserve of £550,000 is necessary to provide a minimum of £20,000 income to the Association each year. These current reserves stand at £545,405 (£555,535 – 2013).

## **Investment policy**

During this financial period it was decided to group together the investment portfolios of the Association and West of England Baptist Trust Company (West) for the better performance of the combined portfolio, this also has the benefit of reducing management charges. All the individual funds within the portfolio are held in trust for the respective churches.

Under the memorandum and articles of association the charity has the power to make any investment that the trustees see fit. The investment policy is a balanced one of income and growth to ensure adequate income for the day to day needs of the charity coupled with capital growth to maintain and increase over time the value of the portfolio to protect the charity against inflation and to ensure the charity has the ability to meet major capital projects should it be needed, particularly church planting opportunities. The investment policy is reviewed annually and the benchmarks agreed with the investment managers for the year was to achieve 3.8% income return and maintain a minimum portfolio worth of £500,000 which follows the ethical guidelines prescribed by the Baptist Union.

## **Reference and administrative information**

### **Constitution**

West of England Baptist Association is a company limited by guarantee and a registered charity governed by its memorandum and articles of association and bye-laws.

Charity number : 1092443

Company number: 4326752

### **Directors and trustees**

The Directors of the charitable company (“the charity”, “the company” or “West of England Baptist Association”) are its trustees for the purposes of charity law and throughout this report are collectively referred to as the trustees or the Executive. As set out in the Bye-Laws pursuant to the Articles of Association, the Officers of the Association, Moderator, Secretary, Company Secretary, Honorary

Treasurer and Regional Ministers shall be nominated by the trustees, following consultation with member churches, to the Annual General Meeting. Periods of service shall be decided by the trustees and notified to the AGM.

Appointment or re-appointment of trustees is subject to nomination from appropriate geographical groups of churches for submission to the AGM. Members shall serve for four years. The trustees have the power to co-opt additional members. The trustees serving during the year and since the year end were as follows:-

### **Officers**

Paul Evans – Honorary Treasurer Nigel R Coles – Regional Minister & Team Leader Alisdair Longwill – Regional Minister Peter Price – Acting Chair of Trustees (Previously Moderator) from December 2013 to July 2014 Stephen Robinson Chair of Trustees from July 2014.

### **Executive Members**

Laurie Burn; Peter Price; Jane Riches; Graham Sims; Stephen Robinson; Paul Evans; Alison Boulton; and Stephen Finamore

### **Company Secretary**

Robert English

### **Registered Office**

The Old Forge, Broom Hill, Stapleton, Bristol. BS16 1DN

### **Independent examiner**

Neil Kingston FCA, Burton Sweet, Chartered Accountants Pembroke House 15 Pembroke Rd, Clifton, Bristol BS8 3BA

### **Bankers**

HSBC Bank plc., 62 George White Street, Cabot Circus, Bristol BS1 3BA

CAF Bank Limited, Kings Hill, West Malling, Kent. ME19 4TA

### **Solicitors**

Clarke Willmott,

Blackbrook Gate, Blackbrook Park Avenue, Taunton TA 1 2PG

### **Investment Advisors**

Barclays Wealth, 29 Windsor Place, Cardiff. CF10 3BZ

## **Structure, Governance and Management**

### - Recruitment and Appointment of Trustees

The Directors of the charitable company (“the charity”, “the company” or “West of England Baptist Association”) are its trustees for the purposes of charity law and throughout this report are collectively referred to as the trustees or the Executive. As set out in the Bye-Laws pursuant to the Articles of Association, the Officers of the Association, Moderator, Company Secretary, Honorary Treasurer and Regional Ministers shall be nominated by the trustees, following consultation with member churches, to the Annual General Meeting. Periods of service shall be decided by the trustees and notified to the AGM. The Company Secretary is a non-voting trustee.

Appointment or re-appointment of trustees is subject to nomination from appropriate geographical groups of churches for submission to the AGM. Members shall serve for four years. The Executive has the power to co-opt additional members.

Training has been organised for Trustees and all new trustees are provided with details of their roles and responsibilities and when necessary the trustees receive training on their responsibilities.

### - Organisation

The charity is governed by a Board of Trustees, (The Executive) who meet regularly to discuss fulfilment of aims, objectives and purpose statement of the Association. The trustees operate in between meetings through two teams that report directly to the trustees. Each team has its own terms of reference for dealing with various aspects of Association life and each has its own Team leader:-

Finance Team: Moderator – Mr. Paul Evans

Staff Advisory Group: Moderator – Position vacant

The trustees and teams are supported by a small number of part-time staff who perform various administration duties.

At the Annual General Meeting, all churches that make up the Association have the opportunity to send delegates and approve agenda business.

The West of England Baptist Trust Company (West) Limited [WEBTC (West)] and the West of England Baptist Trust Company (East) Limited [WEBTC (East)] are wholly owned subsidiary charitable companies of the Association. These two companies operate through one Board that has joint directors and trustees appointed by the Association. The objects of these two charitable companies is to act as custodian trustees, and in conjunction with the respective managing trustees, take responsibility for the property and investment portfolios, held in trust, on behalf of churches in Bristol, North Somerset and South Gloucestershire for the WEBTC (West) and Wiltshire, Swindon, and East Somerset for WEBTC (East) areas. The Association has one other wholly owned subsidiary company, The West of England Baptist Payroll Company Limited which handles the payroll service on behalf of churches. This is a non-profit making company whose costs are met from subscriptions paid by churches that use the service. The WEBA Trustees following recommendation from the Finance team appoints the directors of this company.

## **Statement of trustees' responsibilities**

The trustees are responsible for preparing the Annual Report and the financial statements in accordance with relevant legislation and regulations. The trustees are required to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the charity and of its incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK 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 business.

The trustees are responsible for keeping proper 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 Companies Act 2006. 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.

Approved by the trustees and signed on their behalf by:

R. English,

Association Manager and Company Secretary

Dated

2015

## **Independent examiner's report to the Trustees of West of England Baptist Association**

I report on the accounts of the company for the year ended 31 December 2014, which are set out on pages 19 to 32.

### Respective responsibilities of trustees and examiner

The trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 144 (2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed. The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of Institute of Chartered Accountants in England and Wales.

Having satisfied myself that the charity is not subject to audit under Part 16 of the Companies Act 2006 and is eligible for independent examination, it is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;

- to follow the procedures laid down in the General Directions given by the Charity Commission under section 145 (5) (b) of the 2011 Act, and

- to state whether particular matters have come to my attention.

### Basis of independent examiner's report

My examination was carried out in accordance with the General Directions given by the Charity Commission.

An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and the seeking of explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and, consequently, no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

## Independent examiner's statement

In connection with my examination, no matter has come to my attention:

which gives me reasonable cause to believe that, in any material respect, the requirements:

- . (a) to keep accounting records in accordance with section 386 of the Companies Act 2006, and
- . (b) to prepare accounts which accord with the accounting records, comply with the accounting requirements of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities (revised 2005) have not been met, or

to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Neil Kingston FCA

Burton Sweet Chartered Accountants

Pembroke House

15 Pembroke Road

Clifton BS8 3BA

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**Statement of financial activities**  
**For the year ended 31 December 2014**

	Notes	Unrestricted	Restricted	Endowment	Total 2014	Total 2013
		£	£	£	£	£
<b>INCOMING RESOURCES</b>						
Activities in furtherance of the charity's objects:-						
- Voluntary income	2	328,971	-	-	328,971	167,909
- Investment income	3	26,881	75	-	26,956	27,699
Incoming resources from charitable activities	4	56,990	-	-	56,990	64,638
Other incoming resources	5	-	-	-	-	11,315
<b>Total Incoming Resources</b>		<b>412,842</b>	<b>75</b>	<b>-</b>	<b>412,917</b>	<b>271,561</b>
<b>RESOURCES EXPENDED</b>						
Costs of Generating Funds:-						
- Investment Management costs		-	-	-	-	4,887
Charitable activities	6	358,929	-	-	358,929	292,738
Governance costs	7	6,570	-	-	6,570	7,889
<b>Total Resources Expended</b>		<b>365,499</b>	<b>-</b>	<b>-</b>	<b>365,499</b>	<b>305,514</b>
Net Incoming/(outgoing) resources before transfers		47,343	75	-	47,418	(33,953)
Net incoming resources before other recognised gains and losses		47,343	75	-	47,418	(33,953)
<b>Other recognised gains and losses</b>						
Investment gains/(losses)	12	-	-	(27,100)	(27,100)	69,489
Loss on disposal of fixed assets		(6,500)	-	-	(6,500)	
<b>Net Movement in Funds</b>		<b>40,843</b>	<b>75</b>	<b>(27,100)</b>	<b>13,818</b>	<b>35,536</b>
<b>Reconciliation of Funds</b>						
Total funds brought forward 1 January 2014		1,435,657	27,931	759,904	2,223,492	2,187,956
<b>Total Funds at 31 December 2014</b>	18	<b>1,476,500</b>	<b>28,006</b>	<b>732,804</b>	<b>2,237,310</b>	<b>2,223,492</b>

All gains and losses arising in the year are included in the Statement of Financial Activities and derive from continuing activities.

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**Summary income and expenditure account**  
**For the year ended 31 December 2014**

	<b>Total 2014</b>	Total 2013
	£	£
Total Income	412,917	271,561
Total Expenditure	(365,499)	(300,627)
Transfer (to)/from funds	-	-
Net income/(expenditure) for the year	<u>47,418</u>	<u>(29,066)</u>

**Balance Sheet****As at 31 December 2014**

		<b>Total 2014 £</b>	<b>Total 2013 £</b>
<b>Fixed assets</b>	Note		
Tangible assets	11a	493,574	676,661
Investments	12	557,400	567,526
Programme-related investments	13	806,265	823,227
		<u>1,857,239</u>	<u>2,067,414</u>
<b>Current assets</b>			
Debtors	14	21,251	10,397
Cash at bank and in hand	15	361,757	152,983
		<u>383,008</u>	<u>163,380</u>
<b>Creditors: amounts falling due within one year</b>	16	(2,937)	(7,302)
<b>Net current assets</b>		<u>380,071</u>	<u>156,078</u>
<b>Total assets less current liabilities</b>		<u>2,237,310</u>	<u>2,223,492</u>
<b>Net Assets</b>		<u>2,237,310</u>	<u>2,223,492</u>
<b>The funds of the charity:</b>			
<b>Unrestricted funds:</b>			
General	18	447,273	403,057
Designated		<u>1,029,227</u>	<u>1,032,600</u>
		1,476,500	1,435,657
<b>Restricted</b>	18	28,006	27,931
<b>Endowment</b>	18	732,804	759,904
<b>Total funds</b>		<u>2,237,310</u>	<u>2,223,492</u>

For the year ended 31st December 2014 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006. The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

Approved by the trustees ..... and signed on their behalf by:

Rev Steve Robinson

Chair of Trustees (Formerly Moderator)

**Company number: 4326752**

The accompanying notes form an integral part of this balance sheet.

## Notes to financial statements

31 December 2014

### 1 Accounting policies

#### **Basis of accounting**

The financial statements are prepared under the historical cost convention, as modified by the inclusion of fixed asset and investments at market values, and in accordance with the Financial Reporting Standard for Small Entities (April 2008), the Charities Act 2011 and the Statement of Recommended Practice, Accounting and Reporting by Charities, issued in 2005.

#### **a) Incoming resources**

##### *Charitable activities*

Income from grants, donations and other voluntary income are recognised on a receivable basis. Legacies are recognised when notified of entitlement and the amount is measurable.

#### **b) Resources expended**

Resources expended are included in the Statement of Financial Activities on an accruals basis, inclusive of any VAT that cannot be recovered.

##### *Charitable activities*

Expenditure relates primarily to staffing and support costs required to enable the charity to serve the Baptist Church communities in the West of England. The support is wide ranging and involves pastoral care of ministers and churches, support for outreach, new church planting buildings, youth work, training, payroll service and finance. In addition, the charity makes a number of grant payments to support different ministries including the Churches Together bodies across the region.

##### *Governance Costs*

Costs associated with constitutional and statutory requirements, including those costs associated with the strategic management of the charity's activities.

#### **c) Pension costs**

The charity makes contributions to the Baptist Pension Scheme (formerly Baptist Minister's Pension Trust Limited and the Baptist Union Staff Pension Trust Limited). Pension costs are charged to the Statement of Financial Activities as incurred.

#### **d) Tangible Fixed Assets**

Tangible fixed assets are stated at cost and fixed asset investments are stated at market value or at the trustees' best estimate of market value.

Depreciation is provided on all tangible fixed assets at annual rates calculated to write off the cost, less estimated residual value, of each asset on a straight line over its expected useful life, as follows:-

Office equipment – 25%

No depreciation is charged on freehold property or land as in the opinion of the trustees the properties have a long useful life.

#### **e) Investments**

Investments held as fixed assets are stated at their market value as at the balance sheet date. Differences in market values from the previous year are accounted for as unrealised gains or losses.

## 1 Accounting policies (Continued)

Investments are managed on behalf of the company on a discretionary basis by Barclays Wealth to achieve a balanced return from income and capital growth, whilst accepting a moderate level of risk. Investment Guidelines, determining the strategic distribution of funds are agreed by the trustees periodically. Barclays Wealth may exceed these guidelines, but only after seeking the authority of the trustees. The trustees also follow the Baptist Union of Great Britain Investment Policy for ethical investments which restricts investment in companies with significant trading interests in armaments, alcohol, gambling or tobacco, where “significant” is taken to mean greater than 5%.

Barclays Wealth are not responsible for the management of the company’s tangible fixed assets, loans granted or cash held directly in the name of the company.

Income from investments is accounted for when receivable.

### f) Fund accounting

Funds held by the charity are either:-

- *unrestricted general funds* – these are funds which can be used in accordance with the charitable objects at the discretion of the trustees;
- *designated funds* – these are funds set aside by the trustees out of unrestricted general funds for specific purposes or projects;
- *restricted funds* – these are funds that can only be used for particular restricted purposes within the objects of the charity.
- *Permanent endowment* - was created following a Charity Commission scheme following the closure of the Avening Baptist Church in 1995. The capital of the scheme restricted the use of the fund to the churches within the South Gloucestershire area
- *Expendable endowment* - represents the company's investments of which the purpose of the fund is to generate income for the on-going work of the Association.

Expenditure which meets these criteria is charged to the funds.

Further explanation of the nature and purpose of each fund is included in note 18.

## 2 Voluntary Income

The following donations, legacies and grants were receivable during the year:-

	Unrestricted	Restricted	Endowment	Total	2014	Total	2013
	£	£	£	£	£	£	£
Home Mission Church funding	111,991	-	-	111,991	-	-	-
Home Mission Core Funding	158,207	-	-	158,207	-	138,800	-
Home Mission Grants	-	-	-	-	-	2,730	-
Home Mission Special Ministry Grants	24,013	-	-	24,013	-	13,350	-
Donations	1,520	-	-	1,520	-	3,908	-
Proceeds from closures	15,740	-	-	15,740	-	-	-
New Churches Fund	7,500	-	-	7,500	-	9,121	-
Partnership Mission Grants	10,000	-	-	10,000	-	-	-
	<u>328,971</u>	<u>-</u>	<u>-</u>	<u>328,971</u>	<u>-</u>	<u>167,909</u>	<u>-</u>

The charity has a close relationship with the Baptist Union of Great Britain (which is also a charity) and receives significant funding from it. The Home Mission Association funding is a share of the monies donated to the Baptist Union of Great Britain by churches in the area covered by the Association, replacing the previous core grant and refund.

Grants for Churches Together within the Association area and for special projects are now allocated separately following a restructuring of the way in which the Baptist Union Home Mission grants are distributed.

**3 Investment income**

	Unrestricted	Restricted	Endowment	Total	2014	Total	2013
	£	£	£	£	£	£	£
Income from investments	23,628	-	-	23,628	23,628	19,710	
Bank interest	1,153	75	-	1,228	1,228	789	
Rents received	2,100	-	-	2,100	2,100	7,200	
	<u>26,881</u>	<u>75</u>	<u>-</u>	<u>26,956</u>		<u>27,699</u>	

**4 Incoming resources from charitable activities**

	Unrestricted	Restricted	Endowment	Total	2014	Total	2013
	£	£	£	£	£	£	£
Church income re Regional Ministers	4,731	-	-	4,731	4,731	2,343	
Subsidiary companies - payroll & management charge	15,633	-	-	15,633	15,633	22,565	
Programme related Investment income	26,061	-	-	26,061	26,061	26,615	
Publications	-	-	-	-	-	9	
Ministers Conference	2,664	-	-	2,664	2,664	10,240	
Loan interest and thank offerings	-	-	-	-	-	1,000	
Committees & conferences	1,998	-	-	1,998	1,998	1,798	
Reimbursements & Refunds	5,903	-	-	5,903	5,903	68	
	<u>56,990</u>	<u>-</u>	<u>-</u>	<u>56,990</u>		<u>64,638</u>	

**5 Other incoming resources**

	Unrestricted	Restricted	Endowment	Total	2014	Total	2013
	£	£	£	£	£	£	£
Home Mission & Other Causes	-	-	-	-	-	11,315	
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>		<u>11,315</u>	

**6 Charitable activities**

	Unrestricted	Restricted	Endowment	Total	2014	Total	2013
	£	£	£	£	£	£	£
Assemblies, Conferences & Events	9,696	-	-	9,696	9,696	9,191	
Evangelism and special events	-	-	-	-	-	2,999	
Employees	168,781	-	-	168,781	168,781	219,147	
Grants payable (see note 8)	20,539	-	-	20,539	20,539	22,270	
Hospitality	630	-	-	630	630	451	
Management & Administration	19,831	-	-	19,831	19,831	11,285	
Legal Advice	-	-	-	-	-	108	
Training	4,673	-	-	4,673	4,673	4,052	
Depreciation	1,587	-	-	1,587	1,587	1,865	
Property costs	20,622	-	-	20,622	20,622	9,595	
Subscriptions	579	-	-	579	579	460	
Home Mission & Other Causes	111,991	-	-	111,991	111,991	11,315	
	<u>358,929</u>	<u>-</u>	<u>-</u>	<u>358,929</u>		<u>292,738</u>	

**7 Governance Costs**

	Unrestricted	Restricted	Endowment	Total	2014	Total	2013
	£	£	£	£	£	£	£
Independent examination	2,700	-	-	2,700	2,700		1,920
Legal & professional fees	3,441	-	-	3,441	3,441		5,182
Trustees Expenses (included in note 9)	429	-	-	429	429		787
	<u>6,570</u>	<u>-</u>	<u>-</u>	<u>6,570</u>			<u>7,889</u>

**8 Analysis of grants**

	Unrestricted	Restricted	Endowment	Total	2014	Total	2013
	£	£	£	£	£	£	£
English Churches Together - Ecumenical							
Regional Grants	2,465	-	-	2,465	2,465		3,760
New Mission initiatives (see below)	5,300	-	-	5,300	5,300		12,260
City Ethnicity	-	-	-	-	-		2,650
WEBAY (Youth Ministry)	-	-	-	-	-		-
Portishead Fellowship costs	12,174	-	-	12,174	12,174		3,600
Forest South Deanery Synod	600	-	-	600	600		-
	<u>20,539</u>	<u>-</u>	<u>-</u>	<u>20,539</u>			<u>22,270</u>

The new mission initiatives includes funding made to the Wichelstowe £Nil (2013 - £4,250) and other projects £20 (2013 - £2,250) from the New Churches Fund, and sponsoring Cutting Edge ministries at Painswick £5,280 (2013 - £5,760).

**9 Staff costs and Trustee expenses**

	2014	2013
	£	£
Trustees' remuneration:-		
Rev. Nigel Coles	32,616	31,876
Rev. Alisdair Longwill	27,561	26,910
Rev. Gordon Hindmarch	-	4,295
	<u>60,177</u>	<u>63,081</u>
Social Security costs (trustees)	6,126	7,070
Staff Salaries (including redundancy costs)	44,558	88,095
Social Security costs (staff)	2,608	3,182
Trustee Pension costs (see note below)	14,975	15,195
Staff Pension costs (see note below)	2,492	8,106
Housing costs	7,388	8,744
Training - courses, conferences, assemblies	1,648	1,302
Council tax, water, telephone	6,643	7,557
Expenses and other costs	22,166	16,815
	<u>168,781</u>	<u>219,147</u>

The Memorandum of Association of the charity, approved by the Charity Commission, provides for remuneration and benefits to be paid to those persons appointed as Regional Ministers of the charity. Remuneration is paid to the Regional Ministers as fully accredited Baptist ministers of the Baptist Union of Great Britain to exchange information, provide advice and support to churches and their respective ministers and leaders enabling the charity to further its Objects.

**Pension Contributions**

		2014	2013
		£	£
Trustees' pension contributions:-			
Rev. Nigel Coles	Baptist Minister's Pension Trust Limited	7,938	7,132
Rev. Alisdair Longwill	Baptist Minister's Pension Trust Limited	7,037	6,911
Rev. Gordon Hindmarch	Baptist Minister's Pension Trust Limited	-	1,152
		<u>14,975</u>	<u>15,195</u>
Staff	Baptist Union Staff Pension Scheme	2,492	3,254
Other Ministerial staff	Baptist Minister's Pension Trust Limited	-	4,852
		<u>17,467</u>	<u>23,301</u>

## 9 Staff costs and Trustee expenses (*continued*)

### Pensions

The Association is an employer participating in two pension schemes: the Baptist Pension Scheme ("the BPS") and the Baptist Union Staff Pension Scheme ("the BUSPS"). The BPS and BUSPS are separate legal entities which are both administered by the Pension Trustee (Baptist Pension Trust Limited).

From January 2012, pension provision for the Minister(s) [and some members of staff] is being made through the Defined Contribution (DC) Plan within the BPS. 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 BPS 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. Members of the Basic Section of BPS pay reduced contributions of 5% of Pensionable Income, and their employers also pay a total of 5%.

Benefits in respect of service prior to 1 January 2012 are provided through the Defined Benefit (DB) Plan within the BPS, or through the BUSPS. The main benefits were:

- In the BPS, 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; and
- In the BUSPS, a pension of one seventieth of a member's average salary over the last three years of pensionable service.

The BPS, previously known as the Baptist Ministers' Pension Fund, started in 1925, and the BUSPS started in 1969. Both schemes were closed to future accrual of defined benefits on 31 December 2011. Neither scheme is contracted out of the State Second Pension.

The table below summarises the main results of the most recent actuarial valuations of the BUSPS and the Defined Benefit (DB) Plan in the BPS. These valuations were performed by a professionally qualified Actuary using the Projected Unit Method.

	<b>BPS DB Plan</b>	<b>BUSPS</b>
Date of valuation	31 December 2013	1 January 2014
Date next valuation due	31 December 2016	1 January 2017
Market value of scheme assets (A)	£162m	£7.3m
Technical provisions (B)	£246m	£12.4m
Deficit [(B) - (A)]	£84m	£5.1m
Funding level [(A) / (B)]	66%	59%

For the BPS, to increase the standard rate of deficiency contributions payable by churches and other employers involved in the DB Plan from 11 % of Pensionable Income / Minimum Pensionable Income to be based on a 12% rate from 1 January 2016. The contributions will be based on each church's or other employer's position at March 2015. Some churches and other employers that were only involved in the DB Plan for a short period will pay less than 12%. The Recovery Plan envisages deficiency contributions continuing until 30 June 2035.

For the BUSPS, to increase deficiency contributions from their current levels to an aggregate between the employers of £759,000 pa from 1 January 2016. This amount will increase each January in line with RPI inflation, and is split between the BUSPS sponsoring employers in line with their estimated share of the BUSPS liabilities. The Recovery Plan that sets out these contributions envisages deficiency contributions being required for some 10 years.

**Staff costs and Trustee expenses (continued)**

The key financial assumptions underlying the valuations were as follows:

<b>Type of assumption</b>	<b>Ministers and staff % pa</b>
RPI price inflation assumption	3.60%
CPI price inflation assumption	2.85%
Minimum Pensionable Income increases (BPS only)	3.85%
Pensionable Salary increases (BUSPS only)	11.00%
Assumed investment returns	
- Pre-retirement	5.10%
- Post retirement	3.95%
Deferred pension increases	
- Pre April 2009	3.60%
- Post April 2009	2.50%
Pension increases (BPS main scheme pension and BUSPS pension)	
- Pre April 2006	3.40%
- Post April 2006	2.30%

As there are numbers of contributing employers participating in both the BPS and the BUSPS, the Association is unable to identify its share of the underlying assets and liabilities of the schemes. Accordingly, the profit and loss charge for the period represents the employer contributions payable. The total pension cost for the Association is shown in the table below, with last year's figures also shown for comparison.

<b>Total pension cost (£)</b>	<b>2014</b>	<b>2013</b>
BPS	14,975	20,047
BUSPS	2,492	3,254
Total	<u>17,467</u>	<u>23,301</u>

Consequent upon the departure of the Administrative manager from the Association in 2011, the Association had a cessation event under Section 75 of the Pensions Act 1995. This makes the Association liable for the proportion of the overall deficit (assessed by reference to the cost of securing benefits by the purchase of annuities) applicable to its previous staff who were members of the Fund. It is not possible to quantify this debt without an actuarial calculation. In order, to avoid the cost of such a calculation and because the Association may not be able to continue its charitable activities following payment of the employer debt which arises upon a cessation event, the Pension Fund Trustee (after consulting the Pensions Regulator) is not currently pursuing the employer debt, but is instead permitting the church to pay the ongoing deficiency contributions outlined above. However, the Pension Trustee has the right to quantify and seek payment of the debt at any time at its discretion.

The latest actuarial valuation of the Ministers' Fund DB Plan took place on 31 December 2013, and the latest actuarial valuation of the Staff Scheme DB Plan took place on 1 January 2014. The next actuarial valuation of the Staff Scheme is due to take place not later than as at 1 January 2017.

<b>Staff costs and Trustee expenses (continued)</b>	<b>2014</b>	<b>2013</b>
The average number of full-time equivalent employees (including part-time staff) during the year as follows:		
Regional Ministers	2.0	2.1
Office Administrative Manager & Trust Officer	0.8	1.2
Administration staff	1.3	1.0
Other Ministerial staff (including Wichelstowe & part-time project staff)	0.3	1.5
	<u>4.4</u>	<u>5.8</u>
In 2014 no employee earned more than £60,000 per annum (2013 - Nil)		
<i>Trustee expenses</i>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Trustee expenses	429	787
	<u>429</u>	<u>787</u>

Expenses were paid to cover travelling, conference and other expenses to 2 trustees (2013 - 5 trustees).

## 10 Taxation

No corporation tax has been provided in these accounts because the income of the charity is within the exemption granted by Section 505 of the Income and Corporation Taxes Act 1988.

## 11 Fixed Assets

### a) Tangible fixed assets

The movement in the year was as follows:-

	Property	Equipment	Total
<b>Cost</b>	£	£	£
Beginning of year	675,131	8,815	683,946
Disposals	(181,500)	-	(181,500)
End of year	<u>493,631</u>	<u>8,815</u>	<u>502,446</u>
<b>Depreciation</b>			
Beginning of year	1,221	6,064	7,285
Charge for the period	-	1,587	1,587
Disposals	-	-	-
End of year	<u>1,221</u>	<u>7,651</u>	<u>8,872</u>
<b>Net book value</b>			
31 December 2014	<u>492,410</u>	<u>1,164</u>	<u>493,574</u>
31 December 2013	<u>673,910</u>	<u>2,751</u>	<u>676,661</u>

### b) Association Property

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Land at Emersons Green	176,490	176,490
Manse at 3 The Hawthorns, Bussage, 12 Bridge View Close, Easton	300,270	300,270
Eastville Church	-	181,500
Stockwood Church	5,000	5,000
	<u>10,650</u>	<u>10,650</u>
	<u>492,410</u>	<u>673,910</u>

<b>12 Investments</b>	<b>2014</b>	2013
	<b>£</b>	<b>£</b>
Market value at beginning of year	567,526	515,072
Acquisitions at cost	63,507	104,193
Sale proceeds from disposals	(46,533)	(121,228)
Gains in the period		
- Realised gains/(losses)	(3,279)	39,269
- Net unrealised gains/(losses)	(23,821)	30,220
Market value as at 31 December 2014	<u>557,400</u>	<u>567,526</u>
	<b>2014</b>	2013
	<b>£</b>	<b>£</b>
Investments at market value comprise:-		
UK equities	210,551	316,860
UK fixed interest securities	181,205	159,284
UK other investments	39,614	20,396
Overseas equities	94,800	70,985
Cash balances	31,229	-
Wholly Owned Trading Subsidiary	1	1
	<u>557,400</u>	<u>567,526</u>
	<u>500,886</u>	<u>516,414</u>
Historical cost at 31 December 2014		

West of England Baptist Association is the principal and legal holder of these investments, during the year it was decided that these should be managed by West of England Baptist Trust Company (West) Limited as custodian trustees.

### 13 Programme-related investments

	Support Loans	Investment properties	Total
	<b>£</b>	<b>£</b>	
a) Balance at 1 January 2014	154,579	668,648	823,227
Loan repayments	(16,962)	-	(16,962)
New loans	-	-	-
Balance at 31 December 2014	<u>137,617</u>	<u>668,648</u>	<u>806,265</u>

b) i) An agreement was reached with Emersons Green Church for them to acquire over a number of years the equity of the property at 1 Bishops Road through the housing for Mission scheme by way of conversion of some of the rent to a capital repayment. The church currently has a £41,310 (2013 - £39,922) equity in the property.

ii) Woodside House, Stroud, the church acquired a 30% share in the property.

iii) Sion Road is currently let at commercial rent whilst a decision is considered over its further use as a Mission house.

<b>14 Debtors</b>	<b>2014</b>	2013
	<b>£</b>	<b>£</b>
Accrued income	18,618	1,332
Amounts due from Subsidiary undertakings	2,633	9,065
	<u>21,251</u>	<u>10,397</u>

<b>15 Cash at bank and in hand</b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
HSBC Bank	40,590	64,062
CAF Cash/Gold	133,640	57,814
COIF Charity Fund	13,901	13,825
Barclays Wealth	-	16,974
Funds held by custodian trustee	173,148	-
PayPal	190	100
Petty cash	288	208
	<b>361,757</b>	<b>152,983</b>

<b>16 Creditors</b>	<b>2014</b>	<b>2013</b>
<b>Amounts falling due within one year</b>	<b>£</b>	<b>£</b>
Trade creditors	1,777	-
Other creditors	1,160	7,302
	<b>2,937</b>	<b>7,302</b>

**17 Commitments under operating leases**

At 31 December 2014 the organisation had annual commitments under non-cancellable operating leases as set out below.

	<b>Equipment</b>	
	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
<b>Operating leases which expire:</b>		
Between 2 to 5 years	<b>1,918</b>	<b>1,918</b>

<b>18 Statement of Funds</b>	<b>At 1 January 2014</b>	<b>Income</b>	<b>Expenditure</b>	<b>Other Movements &amp; Transfers</b>	<b>At 31 December 2014</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Unrestricted</b>					
General fund	403,057	401,239	(350,523)	(6,500)	447,273
<b>Designated</b>					
Ministers Conference	11,653	2,664	(9,696)	-	4,621
North Bristol Ecumenical	18,886	-	-	-	18,886
Painswick	28,704	-	(5,280)	-	23,424
Lay ministries	110	-	-	-	110
New Churches Initiatives	12,631	8,939	-	-	21,570
Support Fund	960,616	-	-	-	960,616
<b>Total unrestricted</b>	<b>1,435,657</b>	<b>412,842</b>	<b>(365,499)</b>	<b>(6,500)</b>	<b>1,476,500</b>
<b>Restricted</b>					
Home Mission & Other Causes	654	-	-	-	654
Leighterton & Culkerton	16,627	75	-	-	16,702
Stockwood Church	10,650	-	-	-	10,650
<b>Total restricted</b>	<b>27,931</b>	<b>75</b>	<b>-</b>	<b>-</b>	<b>28,006</b>
<b>Expendable endowment</b>					
Income fund	583,614	-	-	(27,100)	556,514
	<b>583,614</b>	<b>-</b>	<b>-</b>	<b>(27,100)</b>	<b>556,514</b>
<b>Permanent endowment</b>					
Avening Fund	176,290	-	-	-	176,290
<b>Total Endowment</b>	<b>176,290</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>176,290</b>
<b>Total Endowment</b>	<b>759,904</b>	<b>-</b>	<b>-</b>	<b>(27,100)</b>	<b>732,804</b>
<b>TOTAL FUNDS</b>	<b>2,223,492</b>	<b>412,917</b>	<b>(365,499)</b>	<b>(33,600)</b>	<b>2,237,310</b>

**18** During the year the trustees have taken the opportunity to further re-analyse their funds as follows:

**General Fund** (unrestricted)

This represents the free funds of the charity which are not designated for particular purposes, following the re-distribution of the funds held by the Association.

**Income Fund** (Expendable endowment)

This fund holds the charitable company's investments, all of which are held in the name of Gerrard Limited Nominees as part of the discretionary management arrangement with Barclays Wealth. The purpose of the fund is to generate income for the on-going work of the Association.

**New Churches Initiatives** (designated)

This fund has been established to enable new church planting within the Association and to assist in initial costs.

**North Bristol Ecumenical Fund** (designated)

This fund exists to support Baptist Chaplaincy work at the University of the West of England. No call has been made on this fund during the year.

**Ministers Conference Account** (designated)

This fund previously administered separate from the Association's accounts, is now administered in the Association's office and is used to control the finances of the annual minister's conference which is normally self funding.

**Support Fund** (designated)

This fund exists to provide support to the churches and individuals within the Association, for purposes approved by the Executive of the charity. This support includes loan finance to property projects, for the charity itself, local churches and in special cases, individuals. Interest on loans is subject to negotiation, but at a rate not greater than that charged by the Baptist Union Corporation Limited.

**Painswick Fund** (designated)

This fund was created from the closure of the United Church at Painswick and represents the balance of the funds held previously from the sale of the old chapel. A new initiative to re-establish a Baptist presence is being funded from this fund.

**Leighterton & Culkerton** (restricted)

This capital fund, held under a trust created in July 1947, exists to provide income for the Leighterton & Culkerton churches in Gloucestershire. Should the churches close the income of the fund may be used for Colportage and Evangelistic work in the surrounding villages and district.

**Stockwood Church Fund** (restricted)

This fund represents the cost of the Stockwood Church which is governed by an ultimate trust dated June 1977. Should the church close and the premises sold, the proceeds will be shared between the Association and Bristol City Mission Society.

**Home Mission & Other Causes Fund** (restricted)

This fund occasionally receives monies (usually donations) as an agent for Home Mission on behalf of the Baptist Union of Great Britain. Donations are very occasionally received for other causes, which are passed directly on to the appropriate beneficiary.

## 18 Statement of Funds (Continued)

### Avening Fund (Permanent Endowment)

This endowment fund was created following a Charity Commission scheme following the closure of the Avening Baptist Church in 1995. The scheme restricted the use of the capital in the fund to the provision of premises of churches within the South Gloucestershire area.

### Assets analysed between funds

	Unrestricted	Restricted	Endowment	Total 2014	Total 2013
	£	£	£	£	£
Tangible Fixed assets	306,634	10,650	176,290	493,574	676,661
Programme-related investments	806,265	-	-	806,265	823,227
Investments	-	3,985	553,415	557,400	567,526
Debtors	21,251	-	-	21,251	10,397
Cash at bank and in hand	345,287	13,371	3,099	361,757	152,983
Creditors falling due in one year	(2,937)	-	-	(2,937)	(7,302)
	<u>1,476,500</u>	<u>28,006</u>	<u>732,804</u>	<u>2,237,310</u>	<u>2,223,492</u>

### Unrestricted: analysed between funds

	General	Designated	Total
	£	£	£
Tangible Fixed assets	169,245	137,389	306,634
Programme-related investments	-	806,265	806,265
Investments	-	-	-
Debtors	21,251	-	21,251
Cash at bank and in hand	259,714	85,573	345,287
Creditors falling due in one year	(2,937)	-	(2,937)
	<u>447,273</u>	<u>1,029,227</u>	<u>1,476,500</u>

## 19 Share capital

The company is limited by guarantee and therefore has no share capital.

## 20 Cash flow statement

As permitted by Financial Reporting Standard No.1, a cash flow statement has not been prepared since the company qualifies as a small company.

## 21 Capital expenditure commitments

At the time of production of this Annual Report and Accounts no capital expenditure has been authorised.

## 22 Related party transactions

During the period West of England Baptist Association was the parent company of West of England Baptist Payroll Company Limited. West of England Baptist Payroll Company Limited is a company in which, Jane Riches is also a director.

During the year Management charges amounting to £7,000 (2013:£6,500) towards the administrative costs were paid to the Association. At the balance sheet date West of England Baptist Payroll Company Limited, owed the charity £2,633 (2013:£9,305).

## 1 Support Fund

The following loans are outstanding to churches within the Association:-

Churches	Balance at	Loan		Balance at
	01-Jan-14	Repayments	New Loans	31-Dec-14
	£	£	£	£
Chalford	30,000	-	-	30,000
Lechlade	29,895	3,025	-	26,870
Patchway	646	743	-	(97)
Stapleton, Bristol	4,353	3,351	-	1,002
Westbury West End	9,474	3,532	-	5,942
Stratton Green	(131)	-	-	(131)
Melksham	-	-	-	-
Other	7,634	3,600	-	4,034
Wichelstowe	55,000	-	-	55,000
City Road	6,655	1,500	-	5,155
Shepton Mallet	2,518	1,211	-	1,307
Dundry	8,535	-	-	8,535
	<u>154,579</u>	<u>16,962</u>	<u>-</u>	<u>137,617</u>

**2 By Funding Source**

<b>Property</b>	<b>£</b>	<b>Unrestricted</b>	<b>Restricted</b>	<b>Endowment</b>
Land at Emersons Green	176,490	200	-	176,290
Manse at 1 Bishop Road, Emersons	a 248,853	248,853	-	-
Manse at 3 The Hawthorns, Bussage, 61 Sion Road Bedminster	b 300,270	300,270	-	-
Eastville Church	5,000	5,000	-	-
Woodside House	c 208,635	208,635	-	-
Stockwood Church (Restricted)	10,650	-	10,650	-
	<u>1,161,059</u>	<u>974,119</u>	<u>10,650</u>	<u>176,290</u>
<b>Equipment</b>	2,751	2,751	-	-
<b>Total Property &amp; Equipment</b>	<u>1,163,810</u>	<u>976,870</u>	<u>10,650</u>	<u>176,290</u>

- a The Manse property at Emerson Green is being acquired by the church under the Housing for Mission scheme agreement signed during 2011, whereby a proportion of the rent is being used to acquire further equity in the property. Should this property be sold the proceeds will be shared between the Church and the Association according to the equity share. The property was originally partly acquired for a purchase price of £290,164 using Avening fund proceeds. The current church equity is 14.2% (£41,310).
- b The house at 61 Sion Road is currently being rented from the Association by East Street Baptist church as a Manse.
- c Woodside House, Stroud which shares a common boundary with the Farmhill Church was purchased during the year as part of the new mission project at the church.

*The above information does not form part of the financial statements required by company law and is largely reported for the benefit and information of member churches.*