



# West of England Baptist Association

(A Company limited by Guarantee)

## ANNUAL REPORT & ACCOUNTS

for the year ended 31 December 2016

Registered in England Company number: 4326752

Charity number: 1092443

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## **Report of the trustees for the year ended 31 December 2016**

The trustees are pleased to present their report with financial statements of the charity for the year ended 31 December 2016.

Reference and administrative information set out on page 13 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 (FRS 102) Revised 2015) 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 2016: -**

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

Conscious that we are not just a denominational network of churches located in the West of England but more a movement of living, working and worshipping congregations throughout the region we have sought to encourage and “Build Momentum” towards the ongoing mission of God’s people. At our first trustees meeting of the year we therefore presented a document, “Building Momentum” for consideration that would form a corner stone, a springboard for development and progress for Baptists in the West of England.

The key areas that we were looking for development during 2016 were:

1. Establishing a sustainable financial model for the association.
2. Reviewing current and future grant funding and income streams for the Assoc.
3. To cultivate across the region suitable gatherings for churches, key leaders and leadership teams.
4. Developing missional transitioning for existing churches.
5. Developing missional training for pioneering leaders.
6. Developing a mentoring programme for ministers beyond NAM’s.
7. Reviewing support processes for ministry in the light of the Ignite Report.

### **WEBA’s Year**

We tried to plan a range of events and initiatives to help and support everyone in our churches grow as missionary disciples. These events were planned for Leaders, Leadership Teams, Network Days and Network Gatherings.

## **Leaders:**

In February we moved our Ministers Conference from Sidmouth to Braunton, North Devon. This was a huge break with a tradition that stretched back certainly beyond the memory of any current serving minister. Both the situation and accommodation provided by the Saunton Sands Hotel was outstanding a real treat for some eighty delegates who were able to relax in the very comfortable surroundings enjoying the fellowship and teaching of the Rev. Stephen Holmes. The weather was incredible only to be matched by the occasion of this unique annual event that is greatly enjoyed by all.

Early in May we held a Leaders Day with Gavin Calver at Chipping Sodbury. Along with other Regional Baptist Associations we launched 40 days of good news. This was to encourage church leaders, their teams and individuals to find opportunities to show and tell the good news of Jesus between Easter and Pentecost.

## **Leadership Teams:**

Following the regional teams attendance at and training at a **“Safeguarding”** Partnership wide event in November of last year this year has seen the beginning of the process of training trainers. So as to ensure adequate training opportunities across our region we are committed to:

- Developing a network of safeguarding trainers.
- Ensuring that a trainer’s agreement with WEBA is in place.
- The appointment of a Trustee to take on responsibility to ensure WEBA have the appropriate systems in place for potential complaints in relation to, or by, staff.
- To re-affirm our Association safeguarding policy.
- To ensure the availability of training for Pastoral Leaders at levels 2 & 3.

**Re-imagine** is a learning community for Leadership Teams in WEBA. Since launching this initiative with six church leadership teams in 2015 the Regional Ministry Team have become increasingly aware of how fundamental the process it represents will be to our future as Baptist Christians in the West of England. In October the Regional Team invited ministers and pastoral leaders to the Regional office for a taster morning.

In November we held a Leadership Teams morning on the theme of, how to encourage discipleship among those we serve as leaders. The speaker was David Lawrence, teaching pastor at Thornbury Baptist Church and now LICC's South West Imagine Church consultant. This was well attended and much appreciated.

### **Network Days:**

Are provided by our churches. Clusters of networks of churches get together to present a workshop on a theme of particular interest to them. These were held in February at Clevedon Baptist church entitled "Group Up Training", at Calne BC in April – Healing Day and at Bethesda Trowbridge – Dementia Friendly Church training.

### **Network Gatherings:**

Network gatherings are for the whole WEBA family. We held four at, Worle, Cirencester, Counterslip, Bristol and Bethesda, Trowbridge. These geographically placed gatherings help to make it easier for everyone to get to one. We are making our way through WEBA's Core Convictions at such events and this year the theme was, "Discipleship at the Core".

In July we held our AGM and Summer Gathering at Hanham. People from across the network signed up to this meeting that once again has become truly representative of Baptists across the West of England. In an atmosphere of worship and transacting the necessary business we celebrated the good things that God is doing throughout our churches. The meeting was preceded by a BBQ provided by the church that was thoroughly enjoyed by all and set the scene for the whole proceedings.

In September we held our "Welcome to WEBA" for a number of our new ministers. A time always appreciated for an opportunity to share and meet with colleagues.

### **Regional Staff**

A Staffing Group meeting took place in November. The intention is for this group to meet twice a year to monitor staff policies, capacity and development. Rachel Stone, the HR specialist employed by BUGB will be part of the group annually and is available for any consultation.

The team continue to engage in national BUGB life. Rob English, Association and Trust Company Manager has attended the joint Trust Company Secretaries gathering. Nigel Coles and Alisdair Longwill, Regional Ministers have been involved in the Mission Forum and Mission Community. Gary Woodall, Regional Minister has been developing Safeguarding Training within WEBA, but also engaging with the national network overseeing this.

The Trustees decided to explore employing Rev Tim Welch, Senior Minister at Cambray for the equivalent of 1 day/week, he has been called to a position at Bristol Baptist College. They are willing for Tim to be employed by WEBA on a 1 day/week basis. The specific focus of his Ministry would be

To:

- Develop mentoring, specifically for Ministers beyond the NAM years.
- Beginning the development of 'Continuing Ministerial Development' in anticipation of pending changes within the Covenanted Ministers Accreditation guidelines.

## **Home Mission 2016**

We are keenly aware of the trend developing, in relation to HM giving nationally. There has been an overall decrease in giving over the last four years and an increasing sense of distance has developed between local churches and the Baptist Union. A continuing, challenging financial environment places an ever greater responsibility on the WEBA staff to regularly create an awareness and understanding of the need for the systematic giving and support to HM.

The WEBA staff have planned a monthly 'HM related message' to be included in the WEBA updates, with an easy to access page on the website.

Following the meeting of the Awards Group we were able to make grants to a total of 11 Churches and missional groups.

## **Networks Development**

The Regional Ministry Team are increasingly conscious of the growing need to develop patterns of Ministry and Mission, which could come within this framework of understanding. The two Valleys of Chew and Yeo, the Westbury area of Wiltshire, the Forest of Dean, Swindon and the Cotswolds are all areas within WEBA, where this is both a challenge as well as an opportunity.

## **Association Partnership**

Our partnership, with three other geographically linked associations, Southern Counties, South West and South Wales, has grown and developed establishing agreement for collaboration in three particular areas: -

- Ministerial Recognition.
- A combined Staffing Advisory Group.
- Mission across BUGB under the umbrella of “Seventy Two” (Luke 10).

This is an evolving working relationship that has grown and been enriched by the Partnership Retreat that we shared together in May. This short time, just twenty-four hours, spent together was ably and sensitively led by the Rev Roy Searle. An investment for the future as we seek to develop our work and witness together with our partner associations.

## **Seventy-Two:**

Launched in 2015 this is the name given to the missional partnership arising out of four Associations: Southern Counties, South Wales, South West and the West. As previously described, although our partnership is embedded in the regions we represent a wish to be open to engage wherever possible with all of our Associations.

Our presence, representation and involvement at Spring Harvest were one such opportunity for us to work together with some of our partners. This was both an exciting and challenging opportunity. Not only to be present but also to be part of Spring Harvest’s key objectives to provide a place where we could make space together to encounter God, inspire confidence and to see transformation of our communities. With our bespoke stand we were well equipped to seize the opportunity in the mission of God.

## **Forge Training**

Following a successful taster day held in January nine participants signed up from our churches for the course. This saw the beginning of the first cycle of Forge Training. Participants came from as far away as London although most of them were based in our WEBA churches. Forge aims to mobilise ordinary people to become missional and thrive in whatever context they are called to. This first year has proved very successful and from the comments received from the participants of great benefit and blessing to all in their missional journeys.

## **WEBA Staff and Volunteers**

We are thankful to the small band of mainly part-time staff that runs our regional office. For their hard work, dedication and commitment, their expertise in many and varied fields but above all their devotion to the work of the kingdom in the life, work and witness of Baptists in the West of England.

Equally to our core of trustees who have accepted the call of God to be part of the governing body of our Association. Who shoulder the responsibility and decision making for the future strategy, life and witness of our network of churches. A group of volunteers who look to God for vision and each other for mutual support. Drawn from a variety of backgrounds they bring a variety of expertise and skill sets that provides wisdom and equips them in their decision making.

We are extremely grateful and thank God for all those who faithfully serve in our Churches and especially to many who minister through the Association itself, its Trust Companies, Teams and informal groupings. A great number of very willing and committed volunteers who give freely and gladly of their time which would be impossible to quantify in terms of hours, staff equivalents or value of this contribution.

## **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 2015) and Accounting Regulations, as the income of the group is below the relevant threshold of £1,000,000. 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 £154,179 across all funds. The unrestricted General Fund had an operating surplus of £73,052. During the year repayments on support loans were received from churches within the Association resulting in an outstanding balance of £208,089 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 2015 the charity received a total grant of £239,689, 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 that 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.

### **Subsidiary companies**

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

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) and Auto Enrolment (AE) 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**

The Association portfolio is held by the Trust Company, in order to minimize the 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. 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 a further decline in performance much in line with market performance was noted. The new Investment managers continue to provide an excellent and improved service with reasonable dividend returns.

## **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 that is invested with Charles Stanley. 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 £578,430 (£519,564, with free reserves standing at £111,278 (£236,645 – 2015).

### **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 byelaws.

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**

Phillip Poole – Honorary Treasurer, Nigel R Coles – Regional Minister & Team Leader Alisdair Longwill and Gary Woodall – Regional Ministers and Stephen Robinson Chair of Trustees

### **Executive Members**

Laurie Burn; Jane Riches; Graham Sims; Stephen Robinson; Stephen Finamore; and Philip Poole

**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**

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

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

**Solicitors**

Clarke Willmott,

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

**Investment Advisors**

Charles Stanley & Co Limited, 25 Luke Street, London. EC2A 4AR

**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. Philip Poole

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

2017

## **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 2016, which are set out on pages 19 to 35.

### 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 – Financial Reporting Standard 102 (revised 2015) 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

The Clock Tower

Farleigh Court, Old Weston Road

Flax Bourton, Bristol, BS48 1UR

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**Statement of financial activities**  
**For the year ended 31 December 2016**

	Notes	Unrestricted	Restricted	Endowment	Total 2016	Total 2015 (Restated)
		£	£	£	£	£
<b>INCOME FROM:</b>						
Donations	2	372,578	55,090	-	427,668	255,860
Investments	3	34,014	-	-	34,014	15,178
Charitable activities	4	77,782	-	-	77,782	78,135
<b>Total Incomes</b>		<b>484,374</b>	<b>55,090</b>	<b>-</b>	<b>539,464</b>	<b>349,173</b>
<b>EXPENDITURE ON:</b>						
Charitable activities	5	411,322	18,942	-	430,264	385,942
<b>Total Expenditure</b>		<b>411,322</b>	<b>18,942</b>	<b>-</b>	<b>430,264</b>	<b>385,942</b>
Investment gains/(losses)		-	-	44,979	44,979	(9,114)
Net Income/(expenditure) before transfers		73,052	36,148	44,979	154,179	(36,769)
Net income before other recognised gains and losses		73,052	36,148	44,979	154,179	(45,883)
<b>Other recognised gains and losses</b>						
Loss on disposal of fixed assets		-	-	-	-	-
<b>Net Movement in Funds</b>		<b>73,052</b>	<b>36,148</b>	<b>44,979</b>	<b>154,179</b>	<b>(45,883)</b>
<b>Reconciliation of Funds</b>						
Total funds brought forward 1 January 2016		1,439,671	28,066	723,690	2,191,427	2,237,310
<b>Total Funds at 31 December 2016</b>	18	<b>1,512,723</b>	<b>64,214</b>	<b>768,669</b>	<b>2,345,606</b>	<b>2,191,427</b>

2015 Fund comparatives can be seen in note 9

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

The accompanying notes form an integral part of these financial statements.

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**Summary income and expenditure account**  
**For the year ended 31 December 2016**

	<b>Total 2016</b>	Total 2015
	£	£
Total Income	539,464	349,173
Total Expenditure	(430,264)	(385,942)
Transfer (to)/from funds	-	-
Net income/(expenditure) for the year	<u>109,200</u>	<u>(36,769)</u>

**Cashflow Statement**

For the year ended 31 December 2016

	Notes	2016 £	2015 £
<b>Net cash inflow from operating activities</b>	<b>A</b>	469	(35,871)
<b>Investment income</b>		34,014	15,118
<b>Non-operational cashflows</b>			
<b>Capital expenditure and financial investment:</b>			
- Payments for tangible fixed assets		(230)	(3,843)
<b>Financing:</b>			
Net cash inflow/(outflow) for the year	<b>B</b>	<u>34,253</u>	<u>(24,596)</u>

**Notes to the Cashflow Statement****A. Reconciliation of net movement in funds to net cash inflow from operating activities**

	2016 £	2015 £
Statement of Financial Activities: Net movement in funds	154,179	(45,883)
Investment income	(34,014)	(15,118)
Depreciation	1,018	2,125
Unrealised movement on investments	(44,961)	9,129
(Decrease)/Increase in creditors	531	5,870
Decrease/(Increase) in debtors	(12,452)	14,646
(Increase)/Decrease in programme related investments	(63,832)	(6,640)
<b>Net cash inflow from operating activities</b>	<u>469</u>	<u>(35,871)</u>

**B. Analysis of changes in cash flow during the year**

	2016 £	2015 £	Change £
Cash at bank and in hand	<u>196,559</u>	<u>162,306</u>	<u>34,253</u>
	<u>196,559</u>	<u>162,306</u>	<u>34,253</u>
	2015 £	2014 £	Change £
Cash at bank and in hand	<u>162,306</u>	<u>186,902</u>	<u>(24,596)</u>
	<u>162,306</u>	<u>186,902</u>	<u>(24,596)</u>

**C. Cashflow restrictions**

Charity law prohibits the use of net cash inflows on any endowed or other restricted fund to offset net cash outflows on any fund outside its own Objects, except on special authority. In practice, this restriction has not had any effect on group cashflows for the year.

**Balance Sheet****As at 31 December 2016**

		<b>Total 2016</b>	Total 2015 (Restated)
		£	£
<b>Fixed assets</b>	Note		
Tangible assets	10a	494,504	495,292
Investments	11	768,087	723,126
Programme-related investments	12	876,737	812,905
		<u>2,139,328</u>	<u>2,031,323</u>
<b>Current assets</b>			
Debtors	13	19,057	6,605
Cash at bank and in hand	14	196,559	162,306
		<u>215,616</u>	<u>168,911</u>
<b>Creditors: amounts falling due within one year</b>	15	(9,338)	(8,807)
<b>Net current assets</b>		<u>206,278</u>	<u>160,104</u>
<b>Total assets less current liabilities</b>		<u>2,345,606</u>	<u>2,191,427</u>
<b>Net Assets</b>		<u>2,345,606</u>	<u>2,191,427</u>
<b>The funds of the charity:</b>			
<b>Unrestricted funds:</b>			
General	17	111,278	414,242
Designated		<u>1,401,445</u>	<u>1,025,429</u>
		1,512,723	1,439,671
<b>Restricted</b>	17	64,214	28,066
<b>Endowment</b>	17	768,669	723,690
<b>Total funds</b>		<u>2,345,606</u>	<u>2,191,427</u>

For the year ended 31st December 2016 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 these financial statements.

## Notes to financial statements

31 December 2016

### 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 102, (2015), the Charities Act 2011 and the Statement of Recommended Practice. Accounting and Reporting by Charities based thereon SORP (FRS 102), and the Companies Act 2006.

The trustees consider that there are no material uncertainties about the Association's ability to continue as a going concern.

The association constitutes a public benefit entity as defined by FRS 102.

#### a) Income

Income from grants, donations and other voluntary income are recognised once the charity has entitlement to the income, there is sufficient certainty of receipt and the amount can be measured reliably. Legacies are recognised when it is probable that they will be received and the amount can be measured with sufficient reliability.

#### b) Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to the expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis.

#### 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

Governance costs are associated with constitutional and statutory requirements, including those costs associated with the strategic management of the charity's activities. These are included within support costs.

#### 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. An assessment of the recoverable value of the asset is made on an annual basis.

#### 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 Charles Stanley 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. Charles Stanley 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%.

Charles Stanley 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 17.

### **Current assets**

Amounts owing to the Association at 31 December in respect of fees, rents or other income are measured on initial recognition at settlement amount after any trade discounts or amount advanced by the Association. Subsequently, they are measured at the level of cash or other consideration expected to be received.

### **Cash at bank and in hand**

Creditors and provisions are recognised when the Association has a present obligation arising from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably.

Liabilities are measured on recognition at their historical cost and then subsequently at the best estimate of the amount required to settle the obligation at the reporting date.

### **Realised gains and losses**

All gains and losses are taken to the SoFA as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or purchase value if purchased during the year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value.

### **Transition to FRS102**

Other than the restatement of cash balances held in investment portfolios from cash at bank to investments and the inclusion of investment gains in net income no other restatement of items has been required in making the transition to FRS102. The transition date was 1 January 2015.

**Reconciliation with previous generally Accepted Accounting Practice**

In accordance with the requirements of FRS 102 a reconciliation of opening balances and net income/(expenditure) for the year is provided with the net income/(expenditure) under previous GAAP adjusted for the presentation of investment gains/(losses) as a component of reported income.

Reconciliation of reported net income	£
Net income/(expenditure) as previously stated	(36,769)
Adjustment for gains/(losses) on investments now treated as a component of net income	(9,114)
2015 net income as restated	<u><u>(45,883)</u></u>

**Grants**

There are effectively three kinds of Home Mission Grants:

- Mission through Ministry Grants (awarded to established churches)
- Special Ministry Grants (awarded to developing new expressions of church & missional communities)
- Mission Project Grants (one-off grants awarded as seed funding for a mission project)

Each association is allocated a budgeted sum of money which it can then award as Home Mission grants within its association. The relevant forms are issued at the beginning of the year and various churches/new expressions of church etc. can then submit a grant application. Once these have been received back and collated, the association Home Mission Grants Awards Group meets to consider all the applications. This group make provisional decisions regarding the awarding of grants; these are then brought to the association Trustees for ratification; and the final step (which offers the element of accountability to our association partners) is the presentation of the proposed grants to the inter-association Partnership for their consideration and eventual approval (for WEBA the inter-association partners are South Wales Baptist Association; South West Baptist Association; and Southern Counties Baptist Association).

**2 Income from Donations**

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

	Unrestricted	Restricted	Endowment	Total	2016	Total	2015
	£	£	£	£	£	£	£
Home Mission Church funding	81,482	-	-	81,482	117,803		
Home Mission Core Funding	158,207	-	-	158,207	129,610		
Home Mission Grants	-	55,090	-	55,090	(1,476)		
Home Mission Special Ministry Grants	7,261	-	-	7,261	-		
Donations	-	-	-	-	3,500		
Proceeds from closures	119,299	-	-	119,299	-		
New Churches Fund	6,329	-	-	6,329	6,423		
Partnership Mission Grants	-	-	-	-	-		
	<u>372,578</u>	<u>55,090</u>	<u>-</u>	<u>427,668</u>	<u>255,860</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 Income from Investments**

	Unrestricted	Restricted	Endowment	Total	2016	Total	2015
	£	£	£	£	£	£	£
Income from investments	33,933	-	-	33,933	33,933	13,178	13,178
Bank interest	81	-	-	81	81	2,000	2,000
Rents received	-	-	-	-	-	-	-
	<u>34,014</u>	<u>-</u>	<u>-</u>	<u>34,014</u>	<u>34,014</u>	<u>15,178</u>	<u>15,178</u>

**4 Income from charitable activities**

	Unrestricted	Restricted	Endowment	Total	2016	Total	2015
	£	£	£	£	£	£	£
Church income re Regional Ministers	3,012	-	-	3,012	3,012	4,366	4,366
Subsidiary companies - payroll & management charge	29,877	-	-	29,877	29,877	4,139	4,139
Programme related Investment income	28,226	-	-	28,226	28,226	52,770	52,770
Training courses	1,722	-	-	1,722	1,722	-	-
Ministers Conference	10,515	-	-	10,515	10,515	10,060	10,060
Loan interest and thank offerings	-	-	-	-	-	-	-
Committees & conferences	4,430	-	-	4,430	4,430	6,398	6,398
Reimbursements & Refunds	-	-	-	-	-	402	402
	<u>77,782</u>	<u>-</u>	<u>-</u>	<u>77,782</u>	<u>77,782</u>	<u>78,135</u>	<u>78,135</u>

**5 Expenditure on Charitable activities**

	Unrestricted	Restricted	Endowment	Total	2016	Total	2015
	£	£	£	£	£	(Restated)	£
Assemblies, Conferences & Events	12,898	-	-	12,898	12,898	9,746	9,746
Evangelism and special events	-	-	-	-	-	-	-
Employees	238,583	-	-	238,583	238,583	245,132	245,132
Grants payable (see note 6)	12,782	-	-	12,782	12,782	22,114	22,114
Hospitality	604	-	-	604	604	417	417
Management & Administration	17,007	-	-	17,007	17,007	13,080	13,080
Training	4,734	-	-	4,734	4,734	1,518	1,518
Depreciation	1,018	-	-	1,018	1,018	2,125	2,125
Property costs	21,253	-	-	21,253	21,253	14,536	14,536
Subscriptions	1,456	-	-	1,456	1,456	598	598
Home Mission & Other Causes	98,061	18,942	-	117,003	117,003	72,093	72,093
Independent examination	2,394	-	-	2,394	2,394	2,280	2,280
Legal & professional fees	191	-	-	191	191	2,133	2,133
Trustees Expenses (included in note 7)	341	-	-	341	341	170	170
	<u>411,322</u>	<u>18,942</u>	<u>-</u>	<u>430,264</u>	<u>430,264</u>	<u>385,942</u>	<u>385,942</u>

**6 Analysis of grants**

	Unrestricted	Restricted	Endowment	Total	2016	Total	2015
	£	£	£	£	£	£	£
English Churches Together - Ecumenical Regional Grants	-	-	-	-	-	-	-
New Mission initiatives (see below)	10,391	-	-	10,391	11,974		
City Ethnicity	-	-	-	-	-		
WEBAY (Youth Ministry)	-	-	-	-	-		
Portishead Fellowship costs	2,391	-	-	2,391	10,140		
Forest South Deanery Synod	-	-	-	-	-		
	<u>12,782</u>	<u>-</u>	<u>-</u>	<u>12,782</u>	<u>22,114</u>		

The new mission initiatives includes funding made to Portishead of £1,706, (2015 - £5,734) from the New Churches Fund, and sponsoring Cutting Edge ministries at Painswick £2,424 (2015 - £6,240), Knowle West £1,143 (2015 - £nil), East Street, Bedminster £3,042 (2015 £nil) and other projects £2,076.

**7 Staff costs and Trustee expenses**

	2016	2015
	£	£
Trustees' remuneration:-		
Rev. Nigel Coles	34,139	33,390
Rev. Alisdair Longwill	29,700	26,490
Rev. Gary Woodall	27,924	29,336
	<u>91,763</u>	<u>89,216</u>
Social Security costs (trustees)	7,218	8,223
Staff Salaries (including redundancy costs)	53,724	59,136
Social Security costs (staff)	3,348	4,249
Trustee Pension costs (see note below)	23,333	21,714
Staff Pension costs (see note below)	2,022	1,566
Housing costs	7,992	19,807
Training - courses, conferences, assemblies	1,247	4,564
Council tax, water, telephone	15,986	6,223
Expenses and other costs	31,950	30,433
	<u>238,583</u>	<u>245,131</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.

<i>Pension Contributions</i>		2016	2015
Trustees' pension contributions:-		£	£
Rev. Nigel Coles	Baptist Minister's Pension Trust Limited	8,555	7,938
Rev. Alisdair Longwill	Baptist Minister's Pension Trust Limited	7,593	5,873
Rev. Gary Woodall	Baptist Minister's Pension Trust Limited	7,185	7,903
		<u>23,333</u>	<u>21,714</u>
Staff	Baptist Union Staff Pension Scheme	2,022	1,566
Other Ministerial staff	Baptist Minister's Pension Trust Limited	-	-
		<u>25,355</u>	<u>23,280</u>

## 7 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%

As a result of the valuations, in addition to the contributions to the DC Plan set out above, it has been agreed:

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)	3.85%
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>2016</b>	<b>2015</b>
BPS	23,323	21,714
BUSPS	2,022	1,566
Total	<u>25,345</u>	<u>23,280</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>2016</b>	<b>2,015</b>
The average number of full-time equivalent employees (including part-time staff) during the year as follows:		
Regional Ministers	3.0	3.0
Office Administrative Manager & Trust Officer	1.0	1.0
Administration staff	1.5	1.5
Payroll staff	0.9	0.5
Other Ministerial staff (including Wichelstowe & part-time project staff)	0.3	0.3
	<u>6.7</u>	<u>6.3</u>

The actual number of staff during the year was 9 (2015 - 8)

The key management personnel were defined as the Trustees and the senior management team, the total employment benefits paid to this group amounted to £115,096 (2015 - £110,930).

In 2016 no employee earned more than £60,000 per annum (2015 - Nil)

<i>Trustee expenses</i>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Trustee expenses	341	170
	<u>341</u>	<u>170</u>

Expenses were paid to cover travelling, conference and other expenses to 2 trustees (2015 - 2 trustees).

## 8 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.

## 9 2015 Fund Comparatives

### Statement of financial activities for the year ended 31 December 2015

	<b>Unrestricted</b>	<b>Restricted</b>	<b>Endowment</b>	<b>Total 2015 (Restated)</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>INCOME FROM:</b>				
Donations	255,860	-	-	255,860
Investments	15,118	60	-	15,178
Charitable activities	78,135	-	-	78,135
Other	-	-	-	-
<b>Total Incomes</b>	<u>349,113</u>	<u>60</u>	<u>-</u>	<u>349,173</u>
<b>EXPENDITURE ON:</b>				
Charitable activities	385,942	-	-	385,942
<b>Total Expenditure</b>	<u>385,942</u>	<u>-</u>	<u>-</u>	<u>385,942</u>
Net Income/(expenditure) before transfers	(36,829)	60	-	(36,769)
Investment gains/(losses)	-	-	(9,114)	(9,114)
Net income before other recognised gains and losses	<u>(36,829)</u>	<u>60</u>	<u>(9,114)</u>	<u>(45,883)</u>
<b>Net Movement in Funds</b>	<u>(36,829)</u>	<u>60</u>	<u>(9,114)</u>	<u>(45,883)</u>
<b>Reconciliation of Funds</b>				
Total funds brought forward 1 January 2015	1,476,500	28,006	732,804	2,237,310
<b>Total Funds at 31 December 2015</b>	<u>1,439,671</u>	<u>28,066</u>	<u>723,690</u>	<u>2,191,427</u>

**10 Fixed Assets**

## a) Tangible fixed assets

The movement in the year was as follows:-

	Property £	Equipment £	Total £
<b>Cost</b>			
Beginning of year	493,631	12,658	506,289
Additions	-	230	230
End of year	<u>493,631</u>	<u>12,888</u>	<u>506,519</u>
<b>Depreciation</b>			
Beginning of year	1,221	9,776	10,997
Charge for the period	-	1,018	1,018
Disposals	-	-	-
End of year	<u>1,221</u>	<u>10,794</u>	<u>12,015</u>
<b>Net book value</b>			
31 December 2016	<u>492,410</u>	<u>2,094</u>	<u>494,504</u>
31 December 2015	<u>492,410</u>	<u>2,882</u>	<u>495,292</u>

## b) Association Property

	2016 £	2015 £
Land at Emersons Green	176,490	176,490
Manse at 3 The Hawthorns, Bussage, Eastville Church	300,270	300,270
Stockwood Church	5,000	5,000
	<u>10,650</u>	<u>10,650</u>
	<u>492,410</u>	<u>492,410</u>

**11 Investments**

	2016 £	2015 £
Market value at beginning of year	723,126	(Restated) 557,400
Acquisitions at cost	79,640	258,354
Sale proceeds from disposals	(119,312)	(262,317)
Gains in the period		
- Realised gains/(losses)	(1,200)	(9,114)
- Net unrealised gains/(losses)	56,605	3,948
Increase in cash balances	29,228	174,855
Market value as at 31 December 2015	<u>768,087</u>	<u>723,126</u>

	2016 £	2015 £
Investments at market value comprise:-		(Restated)
UK equities	196,750	219,968
UK fixed interest securities	104,789	97,589
UK other investments	97,113	81,622
Overseas equities	141,295	125,017
Barclays cash balances	174,855	174,855
Cash balances	53,284	24,074
Wholly Owned Trading Subsidiary	1	1
	<u>768,087</u>	<u>723,126</u>
Historical cost at 31 December 2015	<u>529,530</u>	<u>535,665</u>

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

**12 Programme-related investments**

	Support Loans £	Investment properties £	Total
a) Balance at 1 January 2016	144,257	668,648	812,905
Loan repayments	(15,008)	-	(15,008)
New loans	78,840	-	78,840
Balance at 31 December 2016	<u>208,089</u>	<u>668,648</u>	<u>876,737</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 £44,235 (2015 - £42,747) 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.

**13 Debtors**

	2016 £	2015 £
Trade debtors	253	253
Accrued income	4,927	6,213
Amounts due from Subsidiary undertakings	13,877	139
	<u>19,057</u>	<u>6,605</u>

**14 Cash at bank and in hand**

	2016 £	2015 £ (Restated)
HSBC Bank	12,575	50,745
CAF Cash/Gold	169,647	97,294
COIF Charity Fund	13,981	13,981
PayPal	190	190
Petty cash	166	96
	<u>196,559</u>	<u>162,306</u>

**15 Creditors**

	2016 £	2015 £
<b>Amounts falling due within one year</b>		
Trade creditors	8,178	7,647
Other creditors	1,160	1,160
	<u>9,338</u>	<u>8,807</u>

**16 Commitments under operating leases**

At 31 December 2016 the organisation had annual commitments under non-cancellable operating leases as set out below.

	Equipment 2016 £	Equipment 2015 £
<b>Operating leases which expire:</b>		
Within 1 year	160	639
Between 2 to 5 years	-	160
	<u>-</u>	<u>160</u>

17 Statement of Funds	At 1 January 2016	Income	Expenditure	Other Movements & Transfers	At 31 December 2016
	£	£	£	£	£
<b>Unrestricted</b>					
General fund	414,242	466,091	(398,424)	(370,631)	111,278
<b>Designated</b>					
Ministers Conference	4,935	10,515	(12,898)	-	2,552
North Bristol Ecumenical	18,886	-	-	(18,886)	-
Painswick	17,184	-	-	-	17,184
Lay ministries	110	-	-	-	110
New Churches Initiatives	23,698	7,768	-	-	31,466
Support Fund	960,616	-	-	224,517	1,185,133
Pension Deficit Fund	-	-	-	50,000	50,000
Tilshead Fund	-	-	-	115,000	115,000
<b>Total unrestricted</b>	<u>1,439,671</u>	<u>484,374</u>	<u>(411,322)</u>	<u>-</u>	<u>1,512,723</u>
<b>Restricted</b>					
Home Mission & Other Causes	654	-	-	-	654
"The Seventy-Two"	-	55,090	(18,942)	-	36,148
Leighterton & Culkerton	16,762	-	-	-	16,762
Stockwood Church	10,650	-	-	-	10,650
<b>Total restricted</b>	<u>28,066</u>	<u>55,090</u>	<u>(18,942)</u>	<u>-</u>	<u>64,214</u>
<b>Expendable endowment</b>					
Income fund	547,400	-	-	44,979	592,379
	<u>547,400</u>	<u>-</u>	<u>-</u>	<u>44,979</u>	<u>592,379</u>
<b>Permanent endowment</b>					
Avening Fund	176,290	-	-	-	176,290
<b>Total Endowment</b>	<u>176,290</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>176,290</u>
<b>Total Endowment</b>	<u>723,690</u>	<u>-</u>	<u>-</u>	<u>44,979</u>	<u>768,669</u>
<b>TOTAL FUNDS</b>	<u>2,191,427</u>	<u>539,464</u>	<u>(430,264)</u>	<u>44,979</u>	<u>2,345,606</u>

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 with Charles Stanley & Co Limited. 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.

## 17 Statement of Funds (Continued)

### 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 the appropriate beneficiary.

### "The Seventy-Two" (restricted)

WEBA oversees and manages "The Seventy-Two", a network of regional associations working together to be a catalyst helping people find their place in the mission of God. The fund holds funds restricted to this initiative.

### 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.

### Lay ministries (designated)

WEBA lay ministries group aims to support primarily preachers but also every member ministry in churches across the association. The group facilitates this through encouragement and training.

### Pension deficit fund (designated)

In December 2016, trustees agreed to designate £50,000 as a pension reserve. A further trustees' decision will be required if these funds are subsequently paid into the BU Pension Scheme.

## 17 Statement of Funds (Continued)

### Tilshead Fund (designated)

This fund has been set aside from the proceeds of the former Tilshead Baptist church to help fund outreach activity in the surrounding area in partnership with other local Baptist Churches.

## 18 Assets analysed between funds

	Unrestricted	Restricted	Endowment	Total 2016	Total 2015 (Restated)
	£	£	£	£	£
Tangible Fixed assets	483,854	10,650	-	494,504	495,292
Programme-related investments	876,737	-	-	876,737	812,905
Investments	-	3,985	764,102	768,087	723,126
Debtors	19,057	-	-	19,057	6,605
Cash at bank and in hand	142,413	49,579	4,567	196,559	162,306
Creditors falling due in one year	(9,338)	-	-	(9,338)	(8,807)
	<u>1,512,723</u>	<u>64,214</u>	<u>768,669</u>	<u>2,345,606</u>	<u>2,191,427</u>
<b>Unrestricted: analysed between funds</b>					
	General	Designated	Total		
	£	£	£		
Tangible Fixed assets	-	483,854	483,854		
Programme-related investments	-	876,737	876,737		
Investments	-	-	-		
Debtors	19,057	-	19,057		
Cash at bank and in hand	101,559	40,854	142,413		
Creditors falling due in one year	(9,338)	-	(9,338)		
	<u>111,278</u>	<u>1,401,445</u>	<u>1,512,723</u>		

## 19 Share capital

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

## 20 Cash flow statement

As permitted by FRS 102, a cash flow statement has not been prepared since the company qualifies as a small charity.

## 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 £6,000 (2015 - £6,000) towards the administrative costs were paid to the Association. At the balance sheet date West of England Baptist Payroll Company Limited, owed the charity £13,877 (2014 - £139).

During the year donations of £nil were received from Trustees (2015 - £nil from Trustees).

**A Support Fund**

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

Churches	Balance at	Loan		Balance at
	01-Jan-16	Repayments	New Loans	31-Dec-16
	£	£	£	£
Chalford	30,000	-	-	30,000
Lechlade	23,870	3,000	-	20,870
Patchway	(97)	-	-	(97)
Stapleton, Bristol	(115)	-	-	(115)
Westbury West End	2,410	2,924	-	(514)
Stratton Green	(131)	4,412	26,000	21,457
Other	434	798	10,000	9,636
Wichelstowe	55,000	-	-	55,000
City Road	3,955	1,200	-	2,755
Shepton Mallet	96	202	-	(106)
Dundry	8,835	-	2,840	11,675
St George	20,000	2,472	40,000	57,528
	<u>144,257</u>	<u>15,008</u>	<u>78,840</u>	<u>208,089</u>

**B By Funding Source**

Property	£	Unrestricted	Restricted	Endowment
Land at Emersons Green	176,490	200	-	176,290
Manse at 1 Bishop Road, Emersons	i 248,853	248,853	-	-
Manse at 3 The Hawthorns, Bussage,	300,270	300,270	-	-
61 Sion Road Bedminster	ii 211,161	211,161	-	-
Eastville Church	5,000	5,000	-	-
Woodside House	iii 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>	2,094	2,094	-	-
<b>Total Property &amp; Equipment</b>	<u>1,163,153</u>	<u>976,213</u>	<u>10,650</u>	<u>176,290</u>

- i 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 15.2% (£44,235).
- ii The house at 61 Sion Road is currently being rented from the Association by East Street Baptist church as a Manse.
- iii Woodside House, Stroud which shares a common boundary with the Farmhill Church was purchased during 2015 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.*