REGISTERED COMPANY NUMBER: 04336086 (England and Wales)
REGISTERED CHARITY NUMBER: 1102735

Report of the Trustees and

Financial Statements

for the Year Ended 31 December 2021

for

South Wales Baptist Association (BUGB)

Xeinadin Audit Limited
Chartered Accountants
& Statutory Auditors
Highdale House
7 Centre Court
Treforest Industrial Estate
Pontypridd
Rhondda Cynon Taff
CF37 5YR

Contents of the Financial Statements for the Year Ended 31 December 2021

	Page
Report of the Trustees	1 to 4
Report of the Independent Auditors	5 to 8
Statement of Financial Activities	9
Balance Sheet	10
Notes to the Financial Statements	11 to 19

Report of the Trustees
for the Year Ended 31 December 2021

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2021. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The charity's objectives are the advancement of the Christian religion especially by 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.

Public benefit

In the course of their management of the Association, the trustees have regard for the public benefit provided by the Association's activities, and this is a feature both of the Association's work in support of its member churches (independent charities), and of its own direct activities, as follows:

The Association operates by providing support to member churches as they seek to work in their own communities. This support includes advice and guidance to ministers and leaders; mission consultations; assistance, advice and training in safeguarding children and adults as well as practical and financial assistance through loans and grants as appropriate. It is the intention of the Association to help enable churches to respond to their calling and fulfill their public benefit through their normal church activities and the provision of facilities to be used by the wider community as well as the advancement of the Christian faith. The Association acts directly in a number of areas including the selection of individuals to train for ministry, the oversight of newly accredited ministers, arranging training and conferences for ministers and church leaders, involvement in the management of Chaplaincy services at the University of South Wales and engaging at a number of levels with the wider community on behalf of Baptists.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

There were two staff changes during the year.

Revd Hayley Young finished work as a regional minister in July 2021. Revd Emma Mohr started work as a full-time regional minister in September 2021.

The Association continued to work closely with the West and South Baptist Partnership, made up of four Associations, throughout the year. Two partnership Ministerial Recognition conferences were held for candidates for ministry to explore their calling. The grants Committee met to allocate Home Mission grants.

The Association continued to work closely with the Baptist Union of Wales (BUW). The two key events are the annual meetings known as 'Momentum' and the Ministers Conference. This year Momentum took place online and in small face to face gatherings and the ministers' conference took place online. The Association held an online celebration, for teaching and information gathering which included the AGM of the Association. Attendance was good with excellent feedback. In addition, online sessions were held for Newly Accredited Ministers.

Supporting Churches

Regular 'Updates' and 'E-News' were the primary source of information from the Association office to churches, the College, our Ministers and other interested parties. These provided information about local and national events, and enabled churches to share information about their local events with others across the Association.

Safeguarding training covering the Baptist Union of Great Britain's 'Excellence in Safeguarding' Levels 1, 2 and 3 took place online this year, training 224 people and in addition 3 students at Cardiff Baptist College, were trained in a face to face setting.

There were no serious safeguarding incidents to be reported in 2021.Home

Home Mission

Churches contributed £148,160.27 to Home Mission (the Baptist family purse), which was slightly short of the revised target of £150,000.

Home Mission Grants

The Association awarded a number of Home Mission grants during 2021 amounting to £84,235.96. These included Mission through Ministry grants to Bethel BC (Senghenydd Project), Dinas Powys BC, The Church of the Resurrection, Tredegarville BC and York Place BC; Special Ministry grants were awarded to The Summit Centre and Sudbrook Church Plant; Two chaplaincies benefited from HM grants -The University of South Wales and Sports Chaplaincy UK for developmental work in Wales through Steve Jones.

Report of the Trustees
for the Year Ended 31 December 2021

ACHIEVEMENT AND PERFORMANCE

Supporting Ministers and Church Leaders

The Association provided a variety of means whereby Ministers and Church Leaders were supported and encouraged in their roles:

- Ministers' Fellowship groups continued to meet, mostly online.
- The Ministers Conference was held online, and the speakers were Andy Percey and Yinka Oyekan.
- The Newly Accredited Ministers' (NAMs) programme brought together ministers from both SWBA and the Baptist Union of Wales for theological reflection.
- The Association continued to work closely with the West and South Baptist Partnership, made up of four Associations, throughout the year. Two Partnership Ministerial Recognition conferences were held for candidates for ministry, to explore their calling.
- The Partnership MRC commended Lisa Issac and David Powell to commence training for Baptist accreditation. Alex Anderson, Lesley Lawrence and Chris Tutte completed their formation and training and were enrolled as fully accredited ministers.
- Pastoral support was offered in several situations.
- Advice and support were given to several churches facing financial difficulties, conflict, or safeguarding issues.

The following settlements took place:

Chris Bullock to Coedpenmaen Community Church as minister in training
Rhiannon Francis to Mount Carmel, Caerphilly
Andy Gibbs as Chaplain to the Cardiff and Vale Health Board
Jonnie Jones to Zion, Ebbw Vale
Dave Llewellyn to Tabernacle, Penarth
David Powell to High Street, Merthyr as minister in training
James Scott to Bethany, West Cross

SWBA Appointments

Emma Mohr was appointed as full-time regional minister in September 2021.

Council of Churches Meetings

An Association gathering which incorporated the Annual General Meeting was held online on 7th October 2021.

BMS Council of Reference

The SWBA was represented on the BMS Council of Reference by Laura Watkins and Gareth Wilde.

Property

The manse in Ely was managed by My Lettings Limited and was occupied by tenants.

The property in Aberdare was let to a tenant and managed by My Lettings Limited.

FINANCIAL REVIEW

Financial position

The charity showed a surplus of £24,048 for the year ended 31 December 2021. There was a surplus on unrestricted reserves of £29,262 after transfers between funds and a deficit on restricted reserves of £5,214.

Principal funding sources

The principal funding sources of the charity had been by way of grant from the Baptist Union of Great Britain made up of a Core Funding and a lump sum from the Home Mission fund based on a number of factors including the number of churches, the relative economic prosperity of the region and the Associations giving to Home Mission.

Investment policy and objectives

Aside from the restricted funds and retaining a prudent amount in reserves each year, most of the charity's funds are to be spent in the short to medium term and there are some funds for long term investment. The Trustees have the power to invest in such assets as they see fit, monies not immediately required for the furtherance of its objectives.

Reserves policy

South Wales Baptist Association is one of thirteen associations of Baptists Together in the UK. SWBA is made up of over 125 churches who are seeking to share the good news of Jesus with their local community. SWBA operates as a charity under number 1102735.

This Policy relates to South Wales Baptist Association and relates to the restricted and general funds held with the Monmouthshire Building Society, Baptist Union Corporation and Lloyds Bank.

The reserves of the Association at the end of the year were £763,500. Of the reserves, £446,968 was restricted and £316,532 was unrestricted. Included in unrestricted funds are £182,360 invested in fixed assets (property) and £19,391 in fixed asset investments. This leaves a surplus of £114,781.

FINANCIAL REVIEW

Reserves policy

Why are reserves needed?

We aim ideally to hold in reserve sufficient money in our funds identified above to cover expenditure should there be a sudden drop in income, primarily from the Home Mission grant we receive.

Expenditure includes salary payments, running costs and grants given to Baptist projects and churches.

What level of reserves are needed.?

We aim ideally to hold in reserve sufficient money in our funds identified above to cover 6 months' expenditure (as recommended by the Charity Commission).

Based on the expenditure figure of £146,450 (excluding Home Mission Grants), this gives a reserves figure of £73,225.

Should the association accounts identified above dip below the agreed reserve figure for a period beyond 6 months the Trustees should identify a financial plan.

This reserves policy shows good planning of resources and consideration of unforeseen occurrences on the financial income of the Association.

Policy Review: To be reviewed by the Trustees in May every 2 years or earlier if deemed appropriate.

FUTURE PLANS

The Association plans continuing the activities outlined above in the forthcoming years subject to satisfactory funding arrangements and the drawdown of free reserves held by the Association. Expenditure will continue from the restricted funds in accordance with the terms associated with the restriction.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Association is a charitable company limited by guarantee that was incorporated on 7 December 2001. The company was established under a Memorandum of Association that established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £10 towards any shortfall.

Recruitment and appointment of new trustees

The directors of the company are also charity trustees for the purpose of charity law and under the company's Articles. In accordance with the Articles of Association all Trustees will serve for a period of three years. Of the Trustees appointed at the Annual General Meeting, at least one half of those elected shall be lay persons. Any person so appointed shall be eligible for re-appointment unless that person has immediately already served two consecutive three-year periods.

Organisational structure

The Association is governed by the Board of Trustees (Directors), and 14 people served as trustees during 2021. Trustees meet every two months with the Regional Ministers and Association Administrator. They are responsible for the strategic direction of the charity and the reporting to a Council of Churches.

Induction and training of new trustees

New Trustees are provided with essential information. Further training will be offered in future as the membership of the board changes.

Various Charity Commission publications are made available together with the Memorandum and Articles of Association and the latest financial statements.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
04336086 (England and Wales)

Registered Charity number
1102735

Registered office
54 Richmond Road
Roath
Cardiff
CF24 3UR

Report of the Trustees
for the Year Ended 31 December 2021

Trustees
G J Miles Accountant (resigned 15.3.21)
Rev P I Taylor Baptist Minister (resigned 7.10.21)
G Davidson Reverend (resigned 19.7.21)
Rev Dr G J Watts Baptist Minister
Reverend M J Fairweather-Tall Baptist Minister
Revd J M Davis Baptist Minister
S Ringrose Accountant
D L Powell Finance Officer/manager
Rev W M Adams Baptist Minister (resigned 7.10.21)
Revd M I Carter Baptist Minister
Mrs A H Place (appointed 7.10.21)
Rev C A Soble Baptist Minister (appointed 7.10.21)
Mrs T A Vaughan (appointed 7.10.21)
Mrs J H Weaver (appointed 7.10.21)

1) Cardiff Baptist College is a member of the South Wales Baptist Association, which rents offices in the college building.

Auditors
Xeinadin Audit Limited
Chartered Accountants
& Statutory Auditors
Highdale House
7 Centre Court
Treforest Industrial Estate
Pontypridd
Rhondda Cynon Taff
CF37 5YR

STATEMENT OF TRUSTEES' RESPONSIBILITIES
The trustees (who are also the directors of South Wales Baptist Association (BUGB) for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS
The auditors, Xeinadin Audit Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 28 November 2022 and signed on its behalf by:

D L Powell - Trustee

Report of the Independent Auditors to the Members of South Wales Baptist Association (BUGB)

Opinion
We have audited the financial statements of South Wales Baptist Association (BUGB) (the 'charitable company') for the year ended 31 December 2021 which comprise the Statement of Financial Activities, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:
- give a true and fair view of the state of the charitable company's affairs as at 31 December 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern
In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information
The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:
- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:
- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities including fraud and non-compliance with laws and regulations we have considered the following:

(a) The nature of the industry and sector, control environment and business performance;
(b) Results of the enquiries of management about their own identification and assessment of the risks of irregularities;
(c) Any matters we have identified having obtained and reviewed the company's
(d) Documentation of their policies and procedures relating to:
(i) identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
(ii) detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
(iii) the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
(iv) the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas:
(a) Timing of recognition of income
(b) Foreign currency translation.
(c) Value of stocks
In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the company
operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included UK Companies Act, , employment law, health and safety, pensions legislation and tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

Audit response to risks identified

Our procedures to respond to risks identified included the following:
(a) Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
(b) Enquiring of management concerning actual and potential litigation and claims;
(c) Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
(d) In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Report of the Independent Auditors to the Members of South Wales Baptist Association (BUGB)

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

G Francis FCCA (Senior Statutory Auditor)
for and on behalf of Xeinadin Audit Limited
Chartered Accountants
& Statutory Auditors
Highdale House
7 Centre Court
Treforest Industrial Estate
Pontypridd
Rhondda Cynon Taff
CF37 5YR

22 December 2022

South Wales Baptist Association (BUGB)

Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the Year Ended 31 December 2021

	Notes	Unrestricted fund £	Restricted funds £	31.12.21 Total funds £	31.12.20 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies		1,377	-	1,377	11,029
Charitable activities					
Subscriptions		18,141	-	18,141	14,508
Grants receivable		190,313	-	190,313	214,999
Other incoming resources		6,488	-	6,488	2,171
Investment income	2	15,631	4,974	20,605	12,445
Total		231,950	4,974	236,924	255,152
EXPENDITURE ON					
Charitable activities					
Charitable Activities					
		-	-	-	-
Ministry		97,416	-	97,416	111,245
Mission		81,956	-	81,956	127,298
Establishment		43,794	-	43,794	45,863
Governance		2,308	-	2,308	2,120
Manses		2,635	-	2,635	12,656
Other		(14,877)	-	(14,877)	4,654
Total		213,232	-	213,232	303,836
Net gains/(losses) on investments		191	165	356	(710)
NET INCOME/(EXPENDITURE)		18,909	5,139	24,048	(49,394)
Transfers between funds	11	10,353	(10,353)	-	-
Net movement in funds		29,262	(5,214)	24,048	(49,394)
RECONCILIATION OF FUNDS					
Total funds brought forward		287,270	452,182	739,452	788,846
TOTAL FUNDS CARRIED FORWARD		316,532	446,968	763,500	739,452

The notes form part of these financial statements

Balance Sheet
31 December 2021

	Notes	Unrestricted fund £	Restricted funds £	31.12.21 Total funds £	31.12.20 Total funds £
FIXED ASSETS					
Tangible assets	6	182,360	-	182,360	184,259
Investments					
Investments	7	19,391	213,678	233,069	230,460
Investment property	8	-	114,577	114,577	114,577
		201,751	328,255	530,006	529,296
CURRENT ASSETS					
Debtors	9	2,211	-	2,211	2,220
Cash at bank and in hand		186,157	118,713	304,870	310,333
		188,368	118,713	307,081	312,553
CREDITORS					
Amounts falling due within one year	10	(5,287)	-	(5,287)	(8,897)
NET CURRENT ASSETS		183,081	118,713	301,794	303,656
TOTAL ASSETS LESS CURRENT LIABILITIES		384,832	446,968	831,800	832,952
PENSION LIABILITY	12	(68,300)	-	(68,300)	(93,500)
NET ASSETS		316,532	446,968	763,500	739,452
FUNDS	11				
Unrestricted funds				316,532	287,270
Restricted funds				446,968	452,182
TOTAL FUNDS				763,500	739,452

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

The financial statements were approved by the Board of Trustees and authorised for issue on 28 November 2022 and were signed on its behalf by:

D L Powell - Trustee

The notes form part of these financial statements

1. ACCOUNTING POLICIES

Basis of preparing the financial statements
The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

Income
All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Donations and voluntary income are accounted for gross when received.

Subscriptions are accounted for gross when received.

Income from grants is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred. Grants received for specific purposes are treated as restricted funds.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank or building society.

Expenditure
Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

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

Tangible fixed assets
Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery	- 50% on cost and 33% on cost

The freehold property is not depreciated as the trustees consider when taking n the residual value of the property, any depreciation would not be material.

Investment property
Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in fair value is recognised in the Statement of Financial Activities.

Taxation
The charity is exempt from corporation tax on its charitable activities.

Fund accounting
Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits
The charity participates in a defined contribution pension scheme for certain members of staff. The assets of the scheme are held separately from those of the charity. The contributions are charged to the income and expenditure account.

continued...

1. ACCOUNTING POLICIES - continued

Pension costs and other post-retirement benefits
The charity participated in a Defined Benefit Pension Scheme until 31 December 2011 the payments of which are charged to the Statement of Financial Activities. Deficiency payments are also charged to the Statement of Financial Activities. From 1 January 2012 the scheme was replaced by a Defined Contribution Pension Scheme the payments of which are charged to the Statement of Financial Activities when incurred.

2. INVESTMENT INCOME

	31.12.21	31.12.20
	£	£
Rents received	14,045	7,486
Deposit account interest	6,560	4,959
	20,605	12,445

3. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	31.12.21	31.12.20
	£	£
Auditors' remuneration	1,800	1,800
The auditing of accounts of any associate of the charity	162	175
Depreciation - owned assets	1,899	2,879

4. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2021 nor for the year ended 31 December 2020.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 December 2021 nor for the year ended 31 December 2020.

5. STAFF COSTS

The average monthly number of employees during the year was as follows:

	31.12.21	31.12.20
Regional ministers	3	3
Administration	1	1
	4	4

No employees received emoluments in excess of £60,000.

continued...

6. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Totals £
COST			
At 1 January 2021 and 31 December 2021	180,846	50,618	231,464
DEPRECIATION			
At 1 January 2021	-	47,205	47,205
Charge for year	-	1,899	1,899
At 31 December 2021	-	49,104	49,104
NET BOOK VALUE			
At 31 December 2021	180,846	1,514	182,360
At 31 December 2020	180,846	3,413	184,259

7. FIXED ASSET INVESTMENTS

	Listed investments £	Unlisted investments £	Totals £
MARKET VALUE			
At 1 January 2021	6,153	224,307	230,460
Additions	-	26,887	26,887
Disposals	-	(24,278)	(24,278)
At 31 December 2021	6,153	226,916	233,069
NET BOOK VALUE			
At 31 December 2021	6,153	226,916	233,069
At 31 December 2020	6,153	224,307	230,460

There were no investment assets outside the UK.

Cost or valuation at 31 December 2021 is represented by:

	Listed investments £	Unlisted investments £	Totals £
Cost	6,153	226,916	233,069

8. INVESTMENT PROPERTY

	£
FAIR VALUE	
At 1 January 2021 and 31 December 2021	114,577
NET BOOK VALUE	
At 31 December 2021	114,577
At 31 December 2020	114,577

continued...

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.21	31.12.20
	£	£
Prepayments and accrued income	2,211	2,220

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.21	31.12.20
	£	£
Accruals and deferred income	3,933	7,543
Other creditor	1,354	1,354
	5,287	8,897

11. MOVEMENT IN FUNDS

	At 1.1.21	Net movement in funds	Transfers between funds	At 31.12.21
	£	£	£	£
Unrestricted funds				
General fund	287,270	18,909	10,353	316,532
Restricted funds				
Student Fund	605	3	(608)	-
Ministers Benevolent Funds	60,049	948	-	60,997
Ministers Benevolent Funds	2,269	4	-	2,273
Pomeroy Street Funds	7,960	37	-	7,997
Gorseinon Funds	4,645	23	-	4,668
Aberbargoed Funds	25,240	123	-	25,363
Capel Gwilym Funds	684	3	-	687
Llanhilleth Church	243	2	(245)	-
Manse Funds	148,919	1,489	-	150,408
Llandogo Monmouth Funds	16,919	2,179	(8,000)	11,098
Alexandra Rd Newport Funds	48,991	230	-	49,221
Pontyclun/Ely Funds	2,551	13	(1,500)	1,064
Nash Newport Funds	18,530	85	-	18,615
Ely Manse	114,577	-	-	114,577
	452,182	5,139	(10,353)	446,968
TOTAL FUNDS	739,452	24,048	-	763,500

continued...

11. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	231,950	(213,232)	191	18,909
Restricted funds				
Student Fund	3	-	-	3
Ministers Benevolent Funds	783	-	165	948
Ministers Benevolent Funds	4	-	-	4
Pomeroy Street Funds	37	-	-	37
Gorseinon Funds	23	-	-	23
Aberbargoed Funds	123	-	-	123
Capel Gwilym Funds	3	-	-	3
Llanhilleth Church	2	-	-	2
Manse Funds	1,489	-	-	1,489
Llandogo Monmouth Funds	2,179	-	-	2,179
Alexandra Rd Newport Funds	230	-	-	230
Pontyclun/Ely Funds	13	-	-	13
Nash Newport Funds	85	-	-	85
	4,974	-	165	5,139
TOTAL FUNDS	236,924	(213,232)	356	24,048

continued...

11. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.1.20	Net movement in funds	Transfers between funds	At 31.12.20
	£	£	£	£
Unrestricted funds				
General fund	331,888	(52,618)	8,000	287,270
Restricted funds				
Student Fund	602	3	-	605
Ministers Benevolent Funds	59,418	631	-	60,049
Ministers Benevolent Funds	2,262	7	-	2,269
Pomeroy Street Funds	7,924	36	-	7,960
Gorseinon Funds	4,624	21	-	4,645
Aberbargoed Funds	25,127	113	-	25,240
Capel Gwilym Funds	681	3	-	684
Llanhilleth Church	242	1	-	243
Manse Funds	146,935	1,984	-	148,919
Llandogo Monmouth Funds	24,807	112	(8,000)	16,919
Alexandra Rd Newport Funds	48,772	219	-	48,991
Pontyclun/Ely Funds	2,540	11	-	2,551
Nash Newport Funds	18,447	83	-	18,530
Ely Manse	114,577	-	-	114,577
	456,958	3,224	(8,000)	452,182
TOTAL FUNDS	788,846	(49,394)	-	739,452

continued...

11. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	251,599	(303,836)	(381)	(52,618)
Restricted funds				
Student Fund	3	-	-	3
Ministers Benevolent Funds	960	-	(329)	631
Ministers Benevolent Funds	7	-	-	7
Pomeroy Street Funds	36	-	-	36
Gorseinon Funds	21	-	-	21
Aberbargoed Funds	113	-	-	113
Capel Gwilym Funds	3	-	-	3
Llanhilleth Church	1	-	-	1
Manse Funds	1,984	-	-	1,984
Llandogo Monmouth Funds	112	-	-	112
Alexandra Rd Newport Funds	219	-	-	219
Pontyclun/Ely Funds	11	-	-	11
Nash Newport Funds	83	-	-	83
	3,553	-	(329)	3,224
TOTAL FUNDS	255,152	(303,836)	(710)	(49,394)

The General reserve represents the free funds of the Association that are not designated for particular purpose. The fixed assets represent the net book value of tangible fixed assets. The investments represent unrestricted funds held as investments.

The Student fund assists students for ministry from churches within the Association.

The Ministers Benevolent fund, interest on the capital sum provided by the James Pantyfedwen Foundation, is used to assist Ministers and retired Ministers on the accredited list.

The Ministers Benevolent fund is used to assist Ministers and retired Ministers on the accredited list.

The Pomeroy Street fund is used to assist the Association within the Cardiff post code area.

The Gorseinon fund is used for the purpose of items of capital expenditure.

The Moriah Baptist Church Aberbargoed fund and the Capel Gwilym Church Cardiff fund are used for capital purposes.

The Commercial Road Llanhilleth fund is to be made available to Brynithel Community Church when in a position to proceed with a Church building.

The Manse fund is used for the purpose of items of capital expenditure.

The Llandogo Monmouth fund is used for Strategic Mission Initiatives within the Association including small Churches intiatives.

The Alexandra Rd Newport fund is used to provide support and ongoing equipping and training of Ministers and Church leaders in the Association including the appointment of personnel.

continued...

11. MOVEMENT IN FUNDS - continued

The Pontyclun/ Ely fund is to be made available for the appointment of a full-time accredited minister at Ely Baptist Church, Cardiff

The Nash Newport fund is to be used for Mission Initiatives within the Association including the appointment of personnel.

The Ely Manse relates to the purchase of a manse to enable mission to take place in the Ely area of Cardiff.

The Lower Cynon Manse relates to the purchase of a manse to enable mission to take place in the Lower Cynon area.

12. EMPLOYEE BENEFIT OBLIGATIONS

The Association is an employer participating in a pension scheme known as the Baptist Pension Scheme ("the Scheme"), which is administered by the Pension Trustee (Baptist Pension Trust Limited). The Scheme is a separate legal entity and the assets of the Scheme are held separately from those of the Employer and the other participating employers.

For any month, each participating employer in the Scheme pays contributions as set out in the Schedule of Contributions in force at that time.

The Scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This is because it is not possible to attribute the Scheme's assets and liabilities to specific employers and means that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are contributions payable towards benefits and expenses accrued in that year, plus any impact of deficiency contributions (see below).

The Principal and staff tutors are eligible to join the Scheme.

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

Benefits in respect of service prior to 1 January 2012 are provided through the Defined Benefit (DB) Plan within the Scheme. The main benefits for pre-2012 service were a defined benefit pension of one eightieth of Final Minimum Pensionable Income for each year of Pensionable Service, together with additional pension in respect of premiums paid on Pensionable Income in excess of Minimum Pensionable Income. The Scheme, previously known as the Baptist Ministers' Pension Fund, started in 1925, but was closed to future accrual of defined benefits on 31 December 2011.

Actuarial valuation as at 31 December 2016
A formal valuation of the Defined Benefit (DB) Plan was performed at 31 December 2016 by a professionally qualified Actuary using the Projected Unit Method. The market value of the DB Plan assets at the valuation date was £219 million.

The valuation of the DB Plan revealed a deficit of assets compared with the value of liabilities of £68.3 million (equivalent to a past service funding level of 70%). The College and the other employers supporting the DB Plan are collectively responsible for funding this deficit.

The key assumptions underlying the valuation were as follows:
RPI price inflation assumption 3.60%
CPI price inflation assumption 2.85%
Minimum Pensionable Income increases (CPI plus 1.0% pa) 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
- Main Scheme pension Pre April 2006 3.40%
- Main Scheme pension Post April 2006 2.30%

continued...

12. EMPLOYEE BENEFIT OBLIGATIONS - continued

Post-retirement mortality in accordance with 75% of the S2NFA and S2NMA tables, with allowance for future improvements in mortality rates from 2007 in line with the CMI 2016 core projections, with a long term annual rate of improvement of 1.75% for males and 1.5% for females.

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

Recovery Plan
In addition to the contributions to the DC Plan set out above, where a valuation of the DB Plan reveals a deficit the Trustee and the Council agree to a rate of deficiency contributions from colleges and other employers involved in the DB Plan.
Under the current Recovery Plan dated 13 April 2018, deficiency contributions are payable until 31 December 2028. These contributions are broadly based on the employer's membership at 31 December 2014 and increase annually in line with increases to Minimum Pensionable Income as defined in the Rules.

Movement in Balance Sheet liability
Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability.

The current deficiency as notified by the actuaries is £68,300

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

13. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 December 2021.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.