

Company Registration
Charity Registrations

England
Scotland

No 611250
No 219763
No SCO 40432

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Annual report and financial statements
for the year ended 30 September 2019

SIM International (UK)

(A charitable company limited by
guarantee and not having a share capital)



Charitable company information

Registered office

At 30 September 2019

Wetheringsett Manor
Wetheringsett
Stowmarket
Suffolk
IP14 5QX

From 11 February 2020

East Barnwell Community Centre
Newmarket Road
Cambridge
CB5 8RS

Directors

Rev. J Dyer	Co-Chair
Mr D M Heasman	Co-Chair
Mr P J Shelley	
Miss M Gillies	(resigned 30-Apr-2019)
Mr S P Smith	
Miss A Lijcklama à Nijeholt	(resigned 3-Jul-2019)
Mr N R J Younge	
Dr. A B Harris	
Mr Y Mengistu Woldegebreal	
Miss C L Newman	
Dr. T Cudmore	(resigned 7-Nov-2018)

Company Secretary

Mr D A Silver

Bankers

Barclays Bank PLC
543 Norwood Road
West Norwood
London SE27 9DW

CAF Bank
Kings Hill
West Malling
Kent ME19 4TA

Solicitors

Lewis & Dick
443 Kingston Road
Ewell
Surrey KT19 0DG

Auditor

Mazars LLP
The Pinnacle
160 Midsummer Boulevard
Milton Keynes MK9 1FF

SIM International (UK)

For the year ended 30 September 2019

Directors' Report

Registered Company number 611250

Registered Charity number England 219763

Registered Charity number Scotland SCO 40432

The directors who are also trustees have pleasure in presenting their report and the financial statements for the year ended 30 September 2019.

Governing instrument

The governing instrument for the charitable company ("the charity") is its Memorandum and Articles of Association. The charity is a company incorporated on 15 September 1958 limited by guarantee and not having share capital. The charitable company was originally incorporated as *Sudan Interior Mission (United Kingdom) Limited*.

Subsequent mergers with *Andes Evangelical Mission* in 1982 extended the work to South America, with *International Christian Fellowship* in 1989 added fields in Asia, and with *Africa Evangelical Fellowship* (previously *SAGM*) in 1998 extended the work further into Southern Africa. The merger with *MECO UK & Ireland* in 2016 extended the work of the mission into the Middle East.

Structure, Governance and Management

The following were directors for the whole of the period from 1 October 2018 to the date of this report unless otherwise stated:

Mr J Dyer	Co-Chair
Mr D M Heasman	Co-Chair
Miss M Gillies	Resigned 30th April 2019
Mr P Shelley	
Mr S P Smith	
Mr. N R J Younge	
Miss A Lijcklama à Nijeholt	Resigned 3rd July 2019
Dr A B Harris	
Dr. Y Mengistu Woldegebreal	
Miss C L Newman	
Dr. T Cudmore	Resigned 7th November 2018

A new director, on appointment, receives a full briefing on the charity, its governance, its objectives and how these are to be achieved through its vision and purpose.

Directors normally serve for a period of three years and may then be re-elected. The board, which consists of the directors, is entitled to nominate and appoint new directors.

The directors also act as trustees for the charitable activities of SIM International (UK) ("SIM UK") which is the UK arm of SIM, the global missionary agency ("SIM"). "Serving In Mission" is a working name of SIM International UK.

Subgroups

The board uses sub-committees to help govern the operations of the charity and on which appropriately qualified individuals serve, as follows:

Finance and Legal Committee	Mr P Shelley (Chair)
	Dr A Harris
	Miss K Dryer

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Directors' Report

Operational Management

There are four principal officers who manage the day to day operations of the charity:

Mr. S P Smith	UK Director
Mr. D A Silver	Finance & Operations Director (Appointed 5 th May 2019)
Mr. T J McMahon	UK Ministry Director
Mrs. D C Agnes	Member Care & Mobilisation Director

Remuneration of key management personnel

The Finance and Legal committee have responsibility for reviewing salary policy and salary structures. Proposed changes are recommended to the Board. Salaries are benchmarked against other UK mission agencies. The annual salaries of the key management personnel are approved by the Board.

Volunteers

Serving In Mission uses volunteers to assist the directors and mobilisers to fulfil their roles more effectively. Five regional support groups assist and support regional mobilisers.

Statement of Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity as at the balance sheet date and of its income and expenditure for the financial year. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and Statements of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The accounts comply with statutory requirements under Company law as stated above and also the requirements of the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP) issued in January 2015, the Charities (Accounts and Reports) Regulations and the Charities Act 2011.

Risk management

The directors have identified the severity of the risks to which the charity is exposed. They have also considered the likelihood of those risks. The steps taken to mitigate those risks have been assessed in the light of both the severity and the likelihood of each risk. Risks have been grouped into the following categories:

Governance, Operational, Personnel, Financial, Reputational, External and Health & Hygiene. The register of risks was reviewed by Trustees.

The specific risks which were identified as severe and possible over the next five years were:

- Structural or fire damage to the office building;
- External financial scams and fraud;
- Stewardship strategy fails to address operational deficit; and
- Unintentional illegal acts including data protection, charity law and employment law.

Directors' Report

Appropriate courses of action were agreed for each of these to mitigate against the risks. During the year it was recognised that the stewardship strategy was not achieving its objectives, so the stewardship department was disbanded and other steps are being taken to address the operational deficit.

Objectives and Activities

Convinced that no one should live and die without hearing God's good news, the charity exists to assist churches in the UK and Ireland realise the biblical mission of sending and receiving gospel workers who are equipped to make disciples of Jesus Christ in communities where he is least known. This is done by developing and encouraging interest in Christian Missions, strengthening churches' commitment to mission, developing mission opportunities, and by training and supporting missionaries in, to and from UK churches.

We seek to achieve the vision by:

- developing and promoting opportunities for churches to send and receive cross-cultural workers to places where people will otherwise live and die without hearing the good news about the Lord Jesus Christ;
- envisioning and enabling churches to prayerfully engage in God's mission to the nations through multi-cultural outreach, compassion and discipleship, both locally and globally; and
- training and supporting missionaries so that they are helped to practise integrated biblical discipleship as they proclaim the gospel and seek to live out God's word where there is no witness.

Our aim

By 2025, we aim to be an organisation of 300 mission members serving in, to and from the UK and Ireland, who grow throughout their lives in obedience to everything Jesus taught, with increasing spiritual vitality and wellbeing, mentored in personal, theological and ministry competence.

Our current strategy

In 2014, the leaders of SIM International agreed a pioneering focus on those living and dying without hearing the gospel of Jesus Christ. The Board of Trustees reflected on how Serving In Mission would refocus its strategy in the UK and Europe, and agreed the following five priorities. Each of these was further developed in the year ending 30th September 2019:

1 Multi-directional mobilisation of gospel workers to serve where the need is greatest

In partnership with the local church, Serving In Mission will:

- recruit, train and support new short term missionaries, sent from and received into the UK ;
- mentor and support short-term missionaries to commit to serving for more than 2 years; and
- contribute to SIM teams to cross barriers with the gospel in worldwide contexts where people would otherwise live and die without the gospel.

2 Churches resourced for cross-cultural gospel outreach, compassion and discipleship

Hand-in-hand with evangelical churches and appropriate partners in every region, Serving In Mission will:

- provide biblical resources for teaching people of all ages about the church's mission to the nations;
- facilitate regional training in multi-cultural outreach, compassion and discipleship; and
- see churches send gospel workers to unreached people-groups and regions.

3 Discipled workers equipped to be fruitful in gospel ministry

As Serving In Mission works hand-in-hand with the sending church, families and individuals will:

- be equipped to thrive in loving sacrificial obedience to everything Jesus taught;
- have the personal, theological and ministry resources to effectively cross barriers to reach people who have not heard God's word about Jesus Christ; and
- be effectively supported through financial, prayer and ministry expertise networks.

SIM International (UK)

For the year ended 30 September 2019

Directors' Report

4 Sacrificial prayer and generosity increased to facilitate well-stewarded gospel initiatives

Serving In Mission will clearly communicate the resource needs of pioneering mission to the unreached with existing supporters and new donors:

- encouraging sacrificial gospel generosity to cover clearly explained costs of mission;
- supporters and donors will be promptly thanked and regularly updated about the needs of cross-cultural gospel ministry worldwide; and
- in order that unrestricted and restricted donations will increase to fund new gospel initiatives.

5 Gospel partnerships developed for reaching people without a gospel witness

Hand-in-hand with evangelical churches, organisations and institutions, Serving In Mission will:

- develop multi-cultural initiatives locally, regionally and internationally;
- provide church-focused mission support services with like-minded mission organisations; and
- build mutually-beneficial partnerships so that the church's mission is fulfilled.

Review of Activities, Future Developments and Plans

The charity has continued to develop its core activities of enabling UK churches to send and receive missionaries, and supporting those missionaries. In 2019 a total of 183 (2018: 177) missionaries served in cross-cultural mission, including 33 headcount placed through SIM UK for the German mission agency DMG. At the end of the year there were 125 long term missionaries (2018: 123) and 25 on short term assignments (2018: 22) serving with Serving In Mission, plus the DMG missionaries placed through SIM UK. There were 3 missionaries from overseas serving with UK churches (2018: 1). The charity has continued to receive and send funding for numerous projects around the world.

In 2017 SIM and its campaign partners launched the 10:14 prayer initiative which called on Christians globally to pray for workers to be sent to minister to refugees. Thousands joined in prayer across many countries. We also launched a new website – www.howwilltheyhear.net. and identified almost 100 ministry opportunities for gospel workers to share Jesus Christ with refugees and migrants. The campaign has caught the imagination of SIM mobilisers around the world and also of ten partner missions, all actively working together to mobilise prayer and people and to prepare to receive workers across Europe and the UK. In 2019 we had 147 mission opportunities open for long or short term placements in Europe, serving the diaspora peoples across the continent. The sending missions of the campaign have developed a partnership with Biblica (International Bible Society) to raise funds to subsidize scriptures in the languages of the immigrant and migrant peoples living in Europe; the faith goal is to distribute 150,000 Bibles (10% of the recent refugee migration).

ENGAGE is one of the five routes into mission service through Serving In Mission for overseas gospel workers into cross-cultural ministry within the UK. The programme seeks to work hand in hand with UK evangelical churches, as well as the global Church through SIM's extensive network of national church partnerships, to receive and place gospel-workers to help resource and mobilise the local urban Church to fulfil its vision of discipleship-making among multi-ethnic communities where Christ is least known.

The three-fold aim of the programme is:

- 1) for churches to impact their local multi-ethnic community for Christ,
- 2) to strengthen churches in effective gospel ministry amongst people from diverse ethnic backgrounds, that a new generation of gospel-workers may be raised-up to go, and
- 3) for received gospel-workers to gain experience and grow through their cross-cultural placement.

SIM International (UK)

For the year ended 30 September 2019

Directors' Report

Office Relocation

As reported last year the Board decided in April 2018 to relocate the charity offices to Cambridge. Consultants and an Estate Agent were engaged to commence the sale of Wetheringsett Manor, find a destination for the relocated office, and to assist the organisational transition to operate from relocated premises, and with an increased amount of home working by some staff. The exchange of contracts for the Wetheringsett site was on 17th December 2019 with Completion on January 17, 2020. The Trustees were pleased that arrangements were made with the purchaser for the Wetheringsett Camp to continue using the site for three weeks each summer.

Premises in Cambridge were identified in Spring 2019 and these arrangements were finalised following the sale of Wetheringsett Manor in January 2020. As these premises need to be fitted out, final relocation is expected by July 2020. In the meantime, the charity is renting premises in Cambridge under a short-term rental arrangement to provide a base for operations.

Public Benefit

The directors are aware of the Charity Commission's guidance on public benefit and, in particular, the specific guidance offered to charities for the advancement of religion. The charity's objects include advancement of religion along with the alleviation of poverty and suffering. As explained in the Review of Activities set out below, the charity has addressed a range of such public benefit purposes including:

- enabling people to know of and live out the Gospel in fellowship with other believers and in lives of service within their communities;
- facilitating people to learn more about the Christian faith and in the deepening of their trust in Jesus Christ;
- providing biblical cross-cultural training for congregations and their leaders;
- working with churches in the poorest countries of the world to alleviate suffering, injustice and human need; and
- working with churches and other partners to provide educational benefits to communities in various countries.

Fundraising

The charity had an average headcount of 2 staff (FTE) dedicated to fundraising. All fundraising communication was conducted in accordance with GDPR legislation, with policy and procedures developed in advance of 25th May 2018 when GDPR legislation came into effect. The database of supporters was cleansed as part of the GDPR compliance preparations, which included identification of vulnerable people (viz. the very aged) to ensure they would be protected from unreasonable intrusion. Guidance and training was provided to missionaries to ensure their communications to their personal supporters would also be GDPR compliant. No complaints were received about the charity's fundraising activities in the year. The charity did not use the services of external professional fundraising consultants or commercial fundraising contractors.

Key Financial Provisions, Trends and Risks

The financial year included the last 3 months of calendar year 2018 which was the 125th anniversary of the founding of Serving in Mission. Celebration events were arranged by the 70+ entities that constitute SIM internationally. £8k was transferred in this financial year from the Strategy & Special Projects Fund to an Anniversary Fund to allow celebration and promotional events to be conducted in several centres across the UK (prior year £33k).

The ENGAGE project was supported with an initial transfer of £15k from the Strategy and Special Projects Fund to facilitate the launch of this new project.

The relatively stable number of SIM UK missionaries has resulted in similar levels of support for missionaries of £2,490k (2018: £2,499k) and missionaries' costs of £2,401k (2017: £2,458k).

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Directors' Report

The increase in project expenditure £761k (2018: £549k) reflected a return to levels of prior years following a lower spend in 2018.

2019 saw moderate returns on the charity's investments, although investment income was slightly higher than prior years. There were net gains on the investments of £2k. (2018: £5k). The income from interest and dividends was £54k (2018: £50k).

The main financial risk remains the reliance on the growth of unrestricted donated income. The trustees will keep a careful eye on how this income stream develops. The cost of the proposed relocation of the headquarters to Cambridge was carefully weighed against the benefits of greater ethnic diversity and better geographic connectedness. Moving from Wetheringsett Manor to a newly built office in Cambridge will reduce running costs and considerably reduce risks to operational expenditure.

Our main funding source is donations from thousands of individuals and over a hundred churches. Most of these give to support missionaries known personally to them. Our experience is that these churches and supporters remain loyal and generous in their support even during economic recession.

COVID-19

At the point of signing the accounts it is not possible to fully determine the impacts of COVID-19 on the operations of the charity. Currently our income streams are unaffected and there is more work to do to support our members and their work than previously. The directors will continue to monitor the impact of the pandemic on short term and long-term strategic goals and processes of the organisation but do not currently believe this will affect the charity's capacity to continue as a going concern.

Brexit

The Trustees do not think that Brexit will have a significant impact on the Charity, either operationally or financially:

- Operationally, the vast majority of SIM UK missionaries operate outside of Europe. Any that operate in Europe are placed through European partner agencies such as DMG Interpersonal e.V. (Damit Menschen Gott begegnen, Sinsheim, Germany), who can handle any visa issues arising from Brexit.
- Financially, although Brexit uncertainty is affecting financial markets resulting in decreased investment returns, SIM UK's investment strategy is highly cautious (see section "Investment Policy" below), with the majority of the charity's investments being little affected by fluctuations in financial markets. Only 3% of the charity's total income comes from investment income.

Investment policy

The directors have approved an investment policy which seeks to balance appropriately between total returns on funds invested and an acceptable level of risk. This is achieved by allocating funds between time horizons.

Short term funds (up to a year) are invested in appropriate cash deposits. Medium term funds (one to five years) are invested in a combination of cash deposits, fixed interest instruments and equity-related instruments not exceeding 25% of the total funds invested for the medium term. Long term funds (over five years) are invested in a combination of fixed interest instruments and equity-related investments.

The directors' objective of ensuring that funds are invested in portfolios that are well-diversified and with a level of risk commensurate with that deemed appropriate, has been achieved through continuing to invest in the Charittrak Common Investment Fund, managed by Blackrock and specifically designed for charities.

Reserves policy

The directors have agreed that sufficient reserves will be held to ensure the sustainability of the charity's strategy through the general economic cycle. Accordingly, reserves will be held to cover at least 6 months of General Fund expenditure plus expected deficits over the next two years.

SIM International (UK)

For the year ended 30 September 2019

Directors' Report

Costs of £167k have been incurred in 2019 (2018: £84k) in respect of progressing the sale of Wetheringsett Manor and preparing for relocation to Cambridge. To date all costs have been met from Strategy and Special Projects funding. These will be set-off against the proceeds from the sale, before setting the balance aside for potential future property purchase.

General Funds held at 30 September 2019 were £400k, equivalent to 6 months of standard operational costs. The Strategy & Special Project Funds held at the year-end was deemed to be sufficient to cover the projected deficits, and reasonable contingencies for the medium term, taking into account the funds from the sale of Wetheringsett. The total unrestricted available reserves at 30th September 2019 were £482k (2018: £707k).

Endowment, Restricted and Designated funds are excluded from the reserves calculation along with the Asset Fund which is not liquid. Debtors are also excluded from the available funds. The increase in debtors to £208k (2018: £167k) was due to a £52k increase in the amounts due from other SIM offices at the year end.

Going Concern

The financial statements have been prepared on a going concern basis. Forecasts and business plans have been prepared which provide comfort that SIM UK will continue to meet its objectives in the foreseeable future.

Post balance sheet events

On 17th January 2020 the charity completed the sale of its Wetheringsett Manor freehold property to Bramfield School Limited. As the sale proceeds exceed the Net Book Value of the property there is a book gain which will be taken in the financial year to September 30th 2020. The trustees have decided that the net amount remaining from the sale proceeds after all the costs of sale, relocation and transition have been met should be held in a designated reserve for the purposes of purchasing property in due course to support the charity in its objectives.

Following the year end, a significant uncertainty has arisen due to COVID-19. As this uncertainty only emerged after the year end, the Directors consider that any future significant changes non-adjusting events in relation to these accounts. The Directors will continue to monitor any impacts of the pandemic on the company, but as at the date of signing the accounts do not believe that there has been any significant impact requiring disclosure.

Auditor

The auditor, Mazars LLP, have signified their willingness to continue in office. A resolution to re-appoint them as auditor will be proposed at the forthcoming annual general meeting.


Statement of disclosure to the Auditor

The directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the charity's auditor are aware of that information.

As far as the directors are aware, there is no relevant audit information of which the charity's auditor are unaware.

The directors have prepared this report in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small entities.

BY ORDER OF THE BOARD



Mr. P. Shelley, Director
Wetheringsett Manor, Wetheringsett
Stowmarket, Suffolk, IP14 5QX
Date: 14 May 2020

Independent auditor's report to the members of SIM International (UK)

For the year ended 30 September 2019

Opinion

We have audited the financial statements of SIM International (UK) (the 'charity') for the year ended 30 September 2019 which comprise statement of financial activities, balance sheet, statement of cash flows 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, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 30 September 2019 and of 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, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Emphasis of matter – Impact of the outbreak of COVID-19 on the financial statements

In forming our opinion on the Charity, which is not modified, we draw your attention to the Directors' view on the impact of COVID-19 as disclosed on page 7, the consideration given in the going concern basis of preparation on page 15 and non-adjusting post balance sheet events on page 30.

Since the balance sheet date there has been a global pandemic from the outbreak of COVID-19, the impact of which became significant in March 2020 and is causing widespread disruption to normal patterns of business activity across the world, including the UK.

The full impact following the recent emergence of COVID-19 is still unknown. It is therefore not currently possible to evaluate all the potential implications to the Charity's operations, customers and the wider economy.

Basis for opinion

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

Independent auditor's report to the members of SIM International (UK)

For the year ended 30 September 2019

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees' have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and Charities Accounts (Scotland) Regulations 2006 requires us to report to you if, in our opinion:

- adequate and proper 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 specific 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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

Independent auditor's report to the members of SIM International (UK)

For the year ended 30 September 2019

Responsibilities of Directors

As explained more fully in the Statement of Directors' responsibilities set out on page 3, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under Section 44(1)(C) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

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

A further description of our responsibilities 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 auditor's report.

Use of the audit report

This report is made solely to the 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 company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body for our audit work, for this report, or for the opinions we have formed.

A handwritten signature in blue ink, appearing to read 'Vincent Marke'.

Vincent Marke (May 26, 2020 22:16 GMT+1)

Vincent Marke

for and on behalf of **Mazars LLP**

Chartered Accountants and Statutory Auditor

The Pinnacle, 160 Midsummer Boulevard, Milton Keynes, MK9 1BP

Date: 26 May 2020

Statement of financial activities (incorporating the income and expenditure account)

For the year ended 30 September 2019

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2019 £	Total 2018 £
Income from:						
Donations and similar income	3	868,237	3,080,366	-	3,948,603	3,965,358
Legacies		40,572	70,977	-	111,549	117,103
Interest and investment income	4	47,053	6,882	-	53,935	50,372
Other income		23,505	-	-	23,505	49,379
Total income	5	979,367	3,158,225	-	4,137,592	4,182,212
Expenditure on:						
Raising funds		94,654	-	-	94,654	172,134
Charitable activities:						
Missionaries		39,659	2,361,000	-	2,400,659	2,457,793
Ministry		234,259		-	234,259	225,185
Projects		-	760,862	-	760,862	591,142
Services for Missionaries		369,860	-	-	369,860	458,344
Mobilisation & Member Care		587,108	-	-	587,108	591,896
Total expenditure	7	1,325,540	3,121,862	-	4,447,402	4,496,494
Net income / expenditure before other gains and losses		(346,173)	36,363	-	(309,810)	(314,282)
Net gains / (losses) on investments		(9,463)	-	11,469	2,006	5,208
Transfers between funds		(86,671)	86,671	-	-	-
Net movement in funds		(442,307)	123,034	11,469	(307,804)	(309,074)
Fund balances brought forward	18	3,211,659	1,096,852	206,649	4,515,160	4,824,234
Fund balances carried forward	18	2,769,352	1,219,886	218,118	4,207,356	4,515,160

The notes to the financial statements on pages 15 to 31 form part of these accounts.

Balance sheet at 30 September 2019

Company Number: 611250

		2019		2018	
	Notes	£	£	£	£
Fixed assets					
Tangible fixed assets	10	992,674		994,752	
Intangible fixed assets	11	8,980		11,974	
Investments	12	728,769		726,763	
			1,730,423		1,733,489
Current assets					
Debtors	13	208,299		167,341	
Current asset investments	14	1,674,417		1,862,355	
Cash and cash equivalents	15	1,131,380		1,295,693	
			3,014,096		3,325,389
Current liabilities					
Creditors: Amounts falling due within one year	16	(462,348)		(453,066)	
Net current assets			2,551,748		2,872,323
Creditors: Amounts falling due after one year	16	(74,815)		(90,652)	
Total assets less current liabilities			4,207,356		4,515,160
The funds of the charity:					
Unrestricted funds					
Asset fund		1,001,652		1,006,724	
Designated funds		1,285,085		1,421,406	
Strategy & Special project funds		82,157		299,034	
General fund		400,458		484,495	
			2,769,352		3,211,659
Restricted funds			1,219,886		1,096,852
Endowment fund			218,118		206,649
	18		4,207,356		4,515,160

The notes to the financial statements on pages 15 to 31 form part of these accounts.

These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small entities.

Approved and authorised for issue by the Board on 14 May 2020 and signed on its behalf by:



Mr. P. Shelley, Director

Statement of cash flows

For the year ended 30 September 2019

	2019 £	2018 £
Net movement in funds	(307,804)	(309,074)
<u>Adjustments for:</u>		
Depreciation	2,078	2,770
Amortisation	2,994	3,992
(Gain) / loss on investments	(2,006)	(5,208)
Interest and investment income	(53,935)	(50,372)
Decrease / (increase) in debtors	(40,956)	86,712
(Decrease) / increase in creditors	(6,555)	(20,869)
Cash generated from operations	(406,186)	(292,049)
Proceeds on disposal of property, plant and equipment	-	-
Net cash drawn from (placed to) fixed notice accounts	187,938	(77,443)
Interest and investment income	53,595	50,372
Net cash inflow from investing activities	241,873	(27,071)
Net increase in cash and cash equivalents	(164,313)	(319,120)
Cash and cash equivalents at beginning of year	1,295,693	1,614,813
Cash and cash equivalents at end of year	1,131,380	1,295,693

The notes to the financial statements on pages 15 to 31 form part of these accounts.

Notes to the financial statements

For the year ended 30 September 2019

1 Company status

SIM International (UK) is a company limited by guarantee, incorporated in England and Wales. The company and charity registration numbers and the address of its registered office and principal place of business is disclosed in the company information.

The principal activity of the charity is to develop and encourage interest in Christian Missions and, with churches, to train and send missionaries to and from Europe, Africa, South America and Asia.

The financial statements are presented in Sterling, which is the functional currency of the Charity and rounded to the nearest pound.

2 Accounting policies

2.1 Basis of preparation

The financial statements have been prepared in accordance with Financial Reporting Standard 102 ("FRS 102") and comply with the Statement of Recommended Practice "Accounting and Reporting by Charities" issued by the Charity Commission in March 2015.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the charity's accounting policies (refer to note 2.15).

2.2 Accounting convention

The financial statements are prepared under the historical cost convention, as modified by the revaluation of fixed asset investments which are included at market value.

2.3 Going concern

The financial statements have been prepared on a going concern basis. Forecasts and business plans have been prepared which provide comfort that SIM UK will continue to meet its objectives in the foreseeable future.

2.4 Funds

Following the requirements of the Statement of Recommended Practice all the funds of SIM International (UK) have been analysed over the different types of funds which are:-

Endowment funds

Endowment funds are those where the capital has to be retained but the income can be spent.

Restricted funds

Restricted funds are those where the donor has imposed restrictions on how the fund may be used, but which do not prevent the fund being spent.

Notes to the financial statements (continued)

For the year ended 30 September 2019

2.3 Funds (continued)

Unrestricted funds

Unrestricted funds are those which are not subject to any special restrictions and they can be used as the trustees decide. Designated funds are part of unrestricted funds and are amounts the trustees have set aside to cover particular expenditure.

Transfers between Funds

The income received on the endowment fund is transferred to the restricted fund to be used for a dental work project.

In the event that there are sufficient funds in the GAP & Short Term Associate (STA) projects, a transfer is made to the general fund in respect of the costs associated with running the GAP and STA programmes at Wetheringsett Manor.

2.5 Income

The income of the charity is credited to the Statement of Financial Activities on the following bases:

- (a) Gift aid donations, ordinary donations, dividends and income from the sale of literature and other publicity materials – amount received during the year.
- (b) Legacies - when the three criteria of entitlement, measurability and probability are met.
- (c) Tax repayments in respect of tax reclaimed on gift aid donations and investment interest – included in the year in which the related income is due.
- (d) Rents and deposit interest – on a receivable basis for the financial year.

2.6 Classification of expenditure

Costs of generating voluntary income are costs incurred in inducing voluntary contributions to the charity.

Charitable activity costs are costs in furtherance of the charity's objects all of which is expenditure directly relating to the objects of the charity.

2.7 Profits on sale of property and investments

Profits on sale of property and investments are credited to the Statement of Financial Activities on a receivable basis. Investments are included in the Balance Sheet at their market value, and any unrealised gains/losses are included on the Statement of Financial Activities.

Notes to the financial statements (continued)

For the year ended 30 September 2019

2.8 Fixed assets

Depreciation is calculated to write off the cost of fixed assets over their useful lives. Equipment and vehicles are written off on a reducing balance basis at the rate of 25% p.a. The value of the freehold property and the surrounding land is significantly in excess of the book value of the building and so any depreciation charge on cost to apportion the cost over its estimated useful economic life to a residual value would be immaterial therefore no depreciation is charged in the financial statements.

Assets are capitalised at cost, only assets costing more than £3,000 are capitalised.

2.9 Foreign currencies

Revenue and costs expressed in foreign currencies are translated into sterling at rates of exchange ruling at the time when transactions occur. Assets and liabilities are translated at rates of exchange ruling at the balance sheet date. Exchange differences are included in administration expenses.

2.10 Pension costs

Contributions payable to The Global Connections pension scheme with Zurich Life are charged to the Statement of Financial Activities in the period to which they relate.

Additional contributions were required by The Pensions Trust in respect of a defined benefit scheme deficit, they were charged to the Statement of Financial Activities within other gains and losses.

2.11 Operating leases

Rentals payable under operating leases are charged on a straight-line basis over the term of the lease.

2.12 Grants

Grants payable are included in the Statement of Financial Activities in the period in which the award is made. Grants unpaid at the year-end are accrued. Grants where the beneficiary has not been informed or has to meet certain conditions before the grant is released are not accrued but are noted as financial commitments.

2.13 Cash and cash equivalents

Cash and cash equivalents are cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Notes to the financial statements (continued)

For the year ended 30 September 2019

2.14 Financial instruments

The charity only has financial asset and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction values and subsequently measured at their settlement value.

2.15 Judgments in applying accounting policies and key sources of estimation uncertainty

In applying the company's accounting policies, the directors are required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The directors' judgements, estimates and assumptions are based on the best and most reliable evidence available at the time when the decisions are made, and are based on historical experience and other factors that are considered to be applicable. Due to inherent subjectivity involved in making such judgements, estimates and assumptions, the actual results and outcomes may differ.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

The key estimates and assumptions made in these accounts are:

- Depreciation and amortisation - which is calculated in order to write down tangible fixed assets to their residual value over their economic life.
- Accrued legacies – which are recognised to the extent that entitlement, value and certainty can be reliably measured at the balance sheet date.
- Pension accrual and assumptions – which is accounted for using the latest triennial pension report.

3 Analysis of donations

	Un- restricted £	Restricted £	Endow- ment £	2019 £	2018 £
Donations for Missionaries	-	2,490,085	-	2,490,085	2,499,052
Donations for Projects	-	590,281	-	590,281	586,602
Donations for Ministry	191,144	-	-	191,144	182,016
Service Charges	391,976	-	-	391,976	358,537
Unrestricted Donations	315,117	-	-	315,117	339,151
	868,237	3,080,366	-	3,948,603	3,965,358

Notes to the financial statements (continued)

For the year ended 30 September 2019

4 Interest and investment income

	2019	2018
	£	£
Interest on bank deposits	21,653	24,386
Investment income – Common Investment Funds	32,282	25,986
	<u>53,935</u>	<u>50,372</u>

5 Total income

Income is attributable to the principal activity, the financing and co-ordination of mission activity.

A geographical analysis of income is given below:

	2019	2018
	£	£
UK	3,830,451	3,889,462
Donor agencies (Northern Europe)	87,450	92,857
Other SIM offices	219,691	199,893
	<u>4,137,592</u>	<u>4,182,212</u>

6 Surplus on mission activities for the year

The surplus on mission activities is stated after charging / (crediting):

	2019	2018
	£	£
Loss / (Gain) on foreign exchange	402	868
Depreciation of fixed assets	2,078	2,770
Amortisation of intangible assets	2,994	3,992
Operating lease rentals	3,017	5,105
Auditor's remuneration (inc VAT)	<u>11,880</u>	<u>10,500</u>

Notes to the financial statements (continued)

For the year ended 30 September 2019

7	Total expenditure	Staff Costs £	Other Costs £	2019 £	2018 £
	Costs of generating voluntary income	59,061	35,593	94,654	172,134
	Missionaries' Costs	-	2,400,659	2,400,659	2,457,793
	Missionaries' Ministry	-	234,259	234,259	225,185
	Projects	57,257	703,605	760,862	591,142
	Services for Missionaries	209,331	160,529	369,860	458,344
	Mobilisation & Member Care	364,679	222,429	587,108	591,896
		690,328	3,757,074	4,447,402	4,496,494

8	Staff costs	2019 £	2018 £
	Salaries	607,705	706,836
	Social Security Costs	49,603	52,558
	Other Pension Costs	80,202	76,241
		737,510	835,635

The average number of persons employed by the charity during the year was as follows:

	2019	2018
Management	4	4
Mobilisation	12	12
Administration	15	15
	31	31

Notes to the financial statements (continued)

For the year ended 30 September 2019

8 Staff costs (continued)

The key management personnel are recognised as 4 members of staff (UK Director, Finance & Stewardship Director, UK Ministry Director and Member Care & Mobilisation Director). The total remuneration for these staff totalled £158,273 (2018: £182,947). This included pension contributions of £23,337 (2017: £20,813).

One Director was employed during the year and the remuneration package totalled £52,407 (2018: £52,214) for the year including £4,736 (2017: £3,300) in respect of pension contributions.

Director remuneration is paid in accordance with the Memorandum & Articles of Association for services provided to the charity. The Director did not receive any remuneration in respect of his role as Director.

No Directors claimed travel expenses in the year (2018: 3 Directors submitted claims totalling £427).

The charity is a member of The Global Connections pension scheme, which is a defined contribution scheme, for the majority of personnel including missionaries serving overseas. The aim is to augment state pensions available and provide benefits which may be drawn on return to the UK. The cost for UK personnel for the year is shown above and represents contributions payable by the charity to the Global Connections Scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund.

In respect of personnel who joined the charity before 1 October 1984, there are no formal pension arrangements. However, the charity makes payments of discretionary supplementary allowances to retired personnel who joined before that date to augment pensions and other allowances they receive. This arrangement does not represent a binding agreement as payments are made to the extent that funds are available.

9 Taxation

The company is exempt from Corporation Tax as a registered charity.

Notes to the financial statements (continued)

For the year ended 30 September 2019

10 Tangible fixed assets

	Freehold property £	Equipment £	Vehicles £	Total £
Cost				
At 1 October 2018	1,183,272	216,557	-	1,399,829
Additions	-	-	-	-
Disposals	-	-	-	-
At 30 September 2019	1,183,272	216,557	-	1,399,829
Depreciation				
At 1 October 2018	196,831	208,246	-	405,077
Disposals	-	-	-	-
Charge for the year	-	2,078	-	2,078
At 30 September 2019	196,831	210,324	-	407,155
Net Book Value				
At 30 September 2018	986,441	8,311	-	994,752
At 30 September 2019	986,441	6,233	-	992,674

11 Intangible fixed assets

	Software £	Total £
Cost		
At 1 October 2018	28,384	28,384
Additions	-	-
Disposals	-	-
At 30 September 2019	28,384	28,384
Depreciation		
At 1 October 2018	16,410	16,410
Charge for the year	2,994	2,994
At 30 September 2019	19,404	19,404
Net Book Value		
At 30 September 2018	11,974	11,974
At 30 September 2019	8,980	8,980

Notes to the financial statements (continued)

For the year ended 30 September 2019

12 Fixed asset investments

	2019 £	2018 £
Unlisted Investments		
Cash deposits maturing in more than 12 months	-	-
Listed Investments – at market value		
At 1 October	726,763	721,555
Sales & Maturities	-	-
Unrealised Gain	11,469	10,555
Unrealised Loss	(9,463)	(5,347)
At 30 September	728,769	726,763
Total fixed asset investments	728,769	726,763

The historical cost of listed investments at the balance sheet date was £559,896 (2018: £559,896).

13 Debtors

	2019 £	2018 £
Due from other SIM offices	89,683	38,380
Other debtors	79,004	62,549
Missionaries' personal funds (see note 17)	3,968	1,669
Gift aid	-	-
Prepayments & accrued income	35,644	64,743
	208,299	167,341

14 Current asset investments

	2019 £	2018 £
Cash deposits	1,674,417	1,862,355

Notes to the financial statements (continued)

For the year ended 30 September 2019

15	Cash and cash equivalents		
		2019	2018
		£	£
	Cash at bank and in hand	<u>1,131,380</u>	<u>1,295,693</u>
16	Creditors		
		2019	2018
		£	£
	Amounts due within one year		
	Due to other SIM offices	107,438	67,817
	Taxation & social security	17,970	18,664
	Other creditors	139,686	165,141
	Missionaries' personal funds (see note 17)	157,777	145,354
	Accruals & deferred income	24,028	41,673
	Pension deficit (see note 20)	15,449	14,417
		<u>462,348</u>	<u>453,066</u>
		2019	2018
		£	£
	Amounts due after one year		
	Pension deficit (see note 20)	<u>74,815</u>	<u>90,652</u>
17	Missionaries personal funds		
		2019	2018
		£	£
	Balance at the beginning of the year	143,685	156,685
	Allowances and transfers	<u>887,804</u>	<u>816,927</u>
		1,031,489	973,612
	Less: Payments from personal accounts	(877,680)	(829,927)
	Balance at the end of the year	<u>153,809</u>	<u>143,685</u>
	(See notes 13 and 16)		

Notes to the financial statements (continued)
For the year ended 30 September 2019

18 Funds

	----- Unrestricted funds -----							
	Asset fund	Revaluation Reserve	Designated funds	Strategy & Special Project fund	General fund	Restricted funds	Endowment fund	Total funds
	£	£	£	£	£	£	£	£
Balance at 1 October 2017	1,013,487	-	1,489,437	570,294	499,000	1,040,020	211,996	4,824,234
Income / Expenditure for year	(6,763)	-	(222,686)	(63,783)	(109,792)	88,742	-	(314,282)
Unrealised gain/(loss) on investments	-	-	-	-	10,555	-	(5,347)	28,420
Transfers	-	-	154,655	(207,477)	84,732	(31,910)	-	-
Balance at 30 September 2018	1,006,724	-	1,421,406	299,034	484,495	1,096,852	206,649	4,515,160
Income / Expenditure for year	(5,072)	-	(69,503)	(224,994)	(56,067)	45,826	-	(309,810)
Unrealised gain/(loss) on investments	-	-	-	-	-	(9,463)	11,469	2,006
Transfers	-	-	(66,818)	8,117	(27,970)	86,671	-	-
Balance at 30 September 2019	1,001,652	-	1,285,085	82,157	400,458	1,219,886	218,118	4,207,356

Notes to the financial statements (continued)

For the year ended 30 September 2019

18 Funds (continued)

Unrestricted funds:

The Asset fund is invested in fixed assets, equipment and vehicles and reflects the net book value of the assets held by the charity. The charity suspended its previous practice of providing depreciation of freehold building at the beginning of the 2010 financial year.

The Designated funds represent amounts set aside for the future use of Mission members and includes £375,539 (2018: £395,378) in respect of the voluntary pension payments mentioned in note 20.

The General Reserve Strategy Fund represents amounts set aside for use of the Mission on strategic development and special projects in the UK and overseas.

The charity aims to hold around 6 months of running costs in General Fund. The year end balance at 30 September 2019 is considered to be a suitable reserve on this basis. Other transfers from the Strategy & Special Projects Fund were made:

- £8,117 for 125th Anniversary events and promotion;
- £15,000 for the Engage Project;

The restricted funds include funds for Leprosy & Medical work and other miscellaneous projects, the remainder are funds held for Missionaries under Support Agreements to provide for future expenses.

The restricted funds comprise:

	Missionary Support	Leprosy Fund	Overseas Projects	UK Projects	Total funds
	£	£	£	£	£
Balance at 30 September 2018	1,002,792	5,142	46,997	41,921	1,096,852
Net movement in fund	89,514	(5,142)	(25,842)	64,504	123,034
Balance at 30 September 2019	1,092,306	-	21,155	106,245	1,219,886

The Endowment fund comprises a legacy received on which interest income is transferred to the restricted fund to be used for SIM Dental ministries.

Notes to the financial statements (continued)

For the year ended 30 September 2019

19 Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Endowment Fund £	Total Funds £
Tangible Fixed Assets	992,674	-	-	992,674
Intangible Fixed Assets	8,980	-	-	8,980
Investments	510,651	-	218,118	728,769
Current assets	1,794,210	1,219,886	-	3,014,096
Current liabilities	(462,348)	-	-	(462,348)
Long term liabilities	(74,815)	-	-	(74,815)
	2,769,352	1,219,886	218,118	4,207,356

20 Pension costs

The pension charge represents contributions payable by the charity to pension schemes and amounted to £80,202 (2018: £76,241).

Defined contribution pension scheme

The charity contributes to two defined contribution pension schemes for staff. The assets of the schemes are held separately from those of the charity in independently administered funds.

The pension cost charge represents contributions payable by the charity to the pension schemes and amounted to £80,202 (2017: £76,241). Contributions payable to the pension schemes at the year end amounted to £NIL (2018: £NIL).

Discretionary Supplementary Allowances

As explained in note 8, the payments of discretionary supplementary allowances do not represent a binding agreement. If funds are available through charitable giving, then discretionary supplementary allowances will be paid but there is no contractual obligation to make these payments by the charity. In the opinion of the directors this does not constitute a constructive obligation under Financial Reporting Standard 102 and no additional disclosure is therefore required.

Notes to the financial statements (continued)

For the year ended 30 September 2019

TPT Retirement Solutions – The Growth Plan

The company participates in the scheme, a multi-employer scheme which provides benefits to some 950 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore the charity accounts for the scheme as a defined contribution scheme. However the Trustees have made an accrual for the deficit contributions per the schedule from the actuary. (See note 16)

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2017. This valuation showed assets of £794.9m, liabilities of £926.4m and a deficit of £131.5m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2019 to 31 January 2025:	£11,243,000 per annum (payable monthly and increasing by 3% each on 1st April)
---------------------------------------	--

Unless a concession has been agreed with the Trustee the term to 31 January 2025 applies.

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2014. This valuation showed assets of £793.4m, liabilities of £969.9m and a deficit of £176.5m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2016 to 30 September 2025:	£12,945,440 per annum (payable monthly and increasing by 3% each on 1st April)
From 1 April 2016 to 30 September 2028:	£54,560 per annum (payable monthly and increasing by 3% each on 1st April)

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

Notes to the financial statements (continued)

For the year ended 30 September 2019

Present values of provision

	30 Sept 2019 (£000s)	30 Sept 2018 (£000s)	30 Sept 2017 (£000s)
Present value of provision	86	106	120

Reconciliation of opening and closing provisions

	Period Ending 30 Sept 2019 (£000s)	Period Ending 30 Sept 2018 (£000s)
Provision at start of period	106	120
Unwinding of the discount factor (interest expense)	2	1
Deficit contribution paid	(15)	(14)
Remeasurements - impact of any change in assumptions	2	(1)
Remeasurements - amendments to the contribution schedule	(9)	-
Provision at end of period	86	106

Income and expenditure impact

	Period Ending 30 Sept 2019 (£000s)	Period Ending 30 Sept 2018 (£000s)
Interest expense	2	1
Remeasurements – impact of any change in assumptions	2	(1)
Remeasurements – amendments to the contribution schedule	(9)	-

Assumptions

	30 Sept 2019 % per annum	30 Sept 2018 % per annum	30 Sept 2017 % per annum
Rate of discount	0.98	1.76	1.52

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

Notes to the financial statements (continued)

For the year ended 30 September 2019

21 Other financial commitments

At the year end the charity was committed to making the following payments under non-cancellable operating leases:

	2019 £	2018 £
Payable under 1 year	2,359	2,692
Payable 1 to 5 years	4,008	3,434
Payable over 5 years	338	-
	<u>6,705</u>	<u>6,126</u>

22 Post balance sheet events

On 17th January 2020 the charity completed the sale of its Wetheringsett Manor freehold property to Bramfield School Limited. As the sale proceeds exceed the Net Book Value of the property there is a book gain which will be taken in the financial year to September 30th 2020. The trustees have decided that the net amount remaining from the sale proceeds after all the costs of sale, relocation and transition have been met should be held in a designated reserve for the purposes of purchasing property in due course to support the charity in its objectives.

Following the year end, a significant uncertainty has arisen due to COVID-19. As this uncertainty only emerged after the year end, the Directors consider that any future significant changes non-adjusting events in relation to these accounts. The Directors will continue to monitor any impacts of the pandemic on the company, but as at the date of signing the accounts do not believe that there has been any significant impact requiring disclosure.

Notes to the financial statements (continued)

For the year ended 30 September 2019

23 Statement of financial activities – Comparatives

	Unrestricted Funds 2018 £	Restricted Funds 2018 £	Endowment Fund 2018 £	Total Funds 2018 £
Income				
Donations and similar income	879,704	3,085,654	-	3,965,358
Legacies	117,103	-	-	117,103
Interest and investment income	43,490	6,882	-	50,372
Other income	49,379	-	-	49,379
Total income	1,089,676	3,092,536	-	4,182,212
Expenditure on Raising Funds	172,134	-	-	172,134
Expenditure on Charitable activities				
Missionaries	45,141	2,412,652	-	2,457,793
Ministry	228,185	-	-	228,185
Projects	-	591,142	-	591,142
Services for Missionaries	458,344	-	-	458,344
Mobilisation	591,896	-	-	591,896
Total expenditure	1,492,700	3,003,794	-	4,496,494
Net Income/expenditure before investment gains	(403,024)	88,742	-	(314,282)
Net Gains/(losses) on investments	10,555	-	(5,347)	5,208
Transfers Between funds	31,910	(31,910)	-	-
Net movement in funds	(360,559)	56,832	(5,347)	(309,074)
Fund balances brought forward	3,572,218	1,040,020	211,996	4,824,234
Fund balances carried forward	3,211,659	1,096,852	206,649	4,515,160