

# BMS World Mission ACCOUNTS 2018-19

# **BMS WORLD MISSION**

Annual report and financial statements

Year ended 31 October 2019

Baptist Missionary Society Registered charity number: 1174364 (England and Wales). Registered company number 10849689

# Introduction

The Board of Trustees (who are also the Directors for the purpose of Company Law) of the Baptist Missionary Society (also known as 'BMS World Mission' and 'BMS') presents its annual report and audited financial statements for the year to 31 October 2019.

The financial statements have been prepared in accordance with the requirements 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 (Charities SORP FRS102), effective 1 January 2015 and with Companies Act 2006.

The Trustees' Report is structured as follows:

Section	Page Reference
Reference & administrative details	3
Objectives & activities	4
Structure, governance & management	5
Strategic report	
Achievements & performance	10
Plans for future periods	20
Principle risks & uncertainties	21
Financial review	23
Statement of responsibilities of trustees	27
Independent Auditor's report	28
Financial statements	31

The Trustees wish to put on record their thanks to our supporters, volunteers and staff around the world who commit their time and skills in helping some of the neediest people in the world.

On behalf of the Board of Trustees

David Marc Owen Chair of Trustees 5 June 2020

# Reference and administrative details *Who we are*

# Members of the Board of Trustees

Mrs Maureen Russell (Chair) (to March 2019) Mr John Slater (Vice Chair) Mr Robert Ashurst (Honorary Treasurer) Rev David Ellis (to March 2020) Rev David Marc Owen (Chair) (from March 2019) Rev John Western Dr Kang-San Tan

Rev Lindsay Caplen Ms Lynn Cadman Dr Marion Carson Rev Maureen Hider (to December 2019) Rev Peter Maycock (to March 2020) Rev Simeon Baker Rev Kalyan Das (from March 2019)

# **Executive Directors (key management personnel)**

Dr Kang-San Tan (General Director) Rev Dr Arthur Brown (World Mission) (from August 2019) Mr Jonathan Langley (Acting Director – Communications) (from January 2020) Mr Mark Craig (Communications) (to January 2020) Rev Mark Ord (Mission Training & Hospitality) Rev Peter Dunn (World Mission) (to June 2019) Mr Steve Sanderson (Deputy Director – World Mission) Ms Valerie Stevens (Finance & Corporate Services)

# Auditors

BDO LLP 55 Baker Street London W1U 7EU

# Solicitors

Anthony Collins Solicitors LLP 134 Edmund Street Birmingham B3 2ES

# Bankers

Barclays Bank 123 Broadway Didcot OX11 8AW

# **Investment Managers**

CCLA Investment Management Limited Senator House 85 Queen Victoria Street London EC4V 4ET

### Actuaries

XPS Pension Group 1 Colmore Row Birmingham B3 2BJ

# **Principal offices**

Baptist Missionary Society 129 Broadway, Didcot, OX11 8XD Telephone: 01235 517700 Fax: 01235 517601 Email: <u>mail@bmsworldmission.org</u> Website: bmsworldmission.org

# **Objectives and activities**

# What we set out to do

# 1. Charity objects

The purpose of the Society is to enable Baptist churches to respond to the call of God throughout the world by pursuing the following objects:

- a) To make known the gospel of Jesus Christ
- b) To prevent and relieve poverty
- c) To relieve sickness and promote and protect health
- d) To advance education
- e) To alleviate human suffering caused by disaster overseas

In pursuit of these objectives, BMS has a clearly articulated mission statement: "The Highest Goal of all we do is to bring people to a faith in our Lord and Saviour Jesus Christ and an experience of the abundant life that only he can provide." This is expressed in a five-year strategic plan that seeks to ensure that these charitable objects are realised. The strategic plan is now in its fourth year of implementation with defined priorities across seven key ministries.

# 2. Our Christian faith

BMS embodies the conviction that the God who is Father, Son and Holy Spirit has made himself known to humankind in many ways, but supremely in the person of Jesus Christ. He is the one whose life, death and resurrection have shaped our understanding of a broken world and an alienated people, but also the hope of forgiveness and reconciliation. Through all we do, we seek to both demonstrate and proclaim this good news.

Jesus was a radical figure. He welcomed those the world counted of little value. He sided with those who were perceived as outsiders. He challenged those who held power, and he reserved his righteous anger for those he considered hypocrites.

There are millions in the world today who are denied access to life in all its fullness because they are not valued, or they are forgotten because they are powerless or simply because they have never heard the good news about Jesus. These realities demand a broad response and to that end our mission is always holistic, seeking to meet people's physical, spiritual and emotional needs.

As we live out our faith, we will do everything we can to address these issues irrespective of the background, faith or ethnic origin of those concerned, however advantaged or disadvantaged they may be.

# 3. Our charitable activities

We are reporting our activities against our strategy to 2020 under the following seven ministry headings:

- I. Church growing culturally relevant expressions of Christian community, formed and led by indigenous believers. The aim is to share the gospel message with 500,000 people and plant 500 Christian communities over five years.
- II. Education enhancing life opportunities by providing access to education for those on the margins, including all ages and especially women. The aim is to enable 50,000 people to access education and training over five years.
- III. Justice enabling individual people and communities to access justice and to advocate for those without a voice and developing justice ministries in four countries. The aim is for 120,000 people to be impacted by justice ministries over five years.
- IV. Development enabling individuals and communities to experience wellbeing, economically, socially and environmentally and intentionally planning for sustainability and resilience. The aim is to enable 100,000 people to develop sustainable livelihoods over five years.
- V. Health helping people experience health and wellbeing through increasing access to training and provision of health and psychological care. The aim is to enable 100,000 people to access health care over five years.
- VI. Leadership empowering strong and effective indigenous leadership by equipping people with leadership skills and biblical understanding. The aim is to develop missional thinking among 20,000 people in the UK and 10,000 people overseas in ten partners over a period of five years.
- VII. Relief working at effective collaborative responses to disasters and building resilience in those areas most at risk. The aim is to coordinate disaster relief responses impacting 100,000 people over a fiveyear period.

# Structure, governance and management

How we do things

# 1. Governance

# i Governing document

The governing documents of the charity are the Memorandum and Articles of Association, effective from inception on 4 July 2017.

On 1 November 2017 the whole of the activities, assets and liabilities of The Baptist Missionary Society (unincorporated charity number 233782) were transferred to The Baptist Missionary Society (incorporated charity number 1174364). On 29 October 2018 the Charity Commission confirmed a uniting direction such that the charity called The Baptist Missionary Society (charity number 233782 'the linked charity') shall be treated as forming part of the charity called The Baptist Missionary Society (charity number 1174364 'the reporting charity') for the purposes of Part 4 (registration) and Part 8 (accounting) of the Charities Act 2011. This direction takes effect for the whole of the financial year of the reporting charity in which it is made.

The direction will continue:

- until the Commission makes a further direction to bring the link to an end; or
- until such time that the charities, no longer have the same trustees or are no longer connected.

The effect of linking charities for accountancy and registration purposes means that:

- the charities are registered under a single registration number;
- the trustees are required to prepare a single set of accounts for the reporting charity and the linked charity, within which the individual funds of the linked charity or charities are reported as restricted funds and/or endowment, as appropriate; and
- where accruals accounts are prepared, the Charities' Statement of Recommended Practice (SORP) must be used.

The linking of the charities under section 12 of the Charities Act 2011 is an administrative linkage, for reporting purposes only. It does not change the separate legal status of the charities, or the nature of restricted funds or endowment, and it does not constitute a merger. The trustees are under a duty to ensure that the funds of each charity are still applied solely in accordance with the respective trusts.

# ii Restrictions to governing powers

The governing documents provide instructions as to the object, membership, annual meetings, Trustee appointments, property, dissolution of the charity and revision of the documents. There are no other specific restrictions to daily operations of the charity.

# iii BMS Council

The BMS Council are the company members of BMS. Council members will normally serve threeyear terms and may serve up to three consecutive terms. There may be up to 72 Council members who include the subscribers to the Memorandum, the Trustees and those appointed by the Baptist Unions of Great Britain, Scotland and Wales, the Irish Baptist Networks, the colleges recognised as Baptist colleges, and by co-optation.

The Council meets at least twice a year.

### iv Appointment of new Trustees

New Trustees are elected by the Council and serve normally for a term of 3 years and may serve a maximum of 3 terms. Those nominated as potential Trustees are reviewed to ensure they have the necessary skills to contribute to the charity's development before the Council puts them forward for consideration.

# v Induction and training of Trustees

When elected, each new Trustee receives an induction pack including Charity Commission publications and a range of key organisation policies and documents. All Trustees receive an induction, co-ordinated by the Chair of Trustees and the General Director, which includes a presentation on the organisation, an opportunity to meet key staff and a question and answer session. Trustees also have access to a secure intranet web-based system where they can access

Board papers and other information. Trustees stay abreast of changes in good practice and legislation. They attended training on good governance and have specifically focused on changes brought by the Fundraising Regulator during the year. They designate one full day meeting each year specifically for relevant Board training.

# vi Governance structures

The Board has a Board Manual that is used as a reference guide to good governance at Board level. To help the Trustees with the governance of the charity on a day-to-day basis and in accordance with good governance practice the following committees and advisory groups have been constituted with specific terms of reference and functions delegated by the Board. These are:

The Finance and Audit Committee – to advise on all aspects of the charity's finances, including the financial accounts, annual estimates, risk management, investment management, income generation, property matters including Baptist House, salaries, mission personnel allowances, pensions and employment matters. They also advise on policy matters that relate to the future planning of the charity's finances, including such issues as reserves and the balance between the different categories of expenditure. They consider the appointment of the external auditors and any questions of their resignation or dismissal; discuss with the external auditors before the audit commences the nature and scope of the audit; receive the auditors' management reports following completion of their audit work and review the annual financial statements before submission to the Board of Trustees.

**The Remuneration Committee** – to advise the Board of Trustees on the appropriate remuneration of the General Director and Executive Directors and their Terms and Conditions of employment. The Committee also provides advice to the Board regarding the remuneration policy framework for BMS home staff. Furthermore, the Committee has power to act, under instruction from the Board, as a review body prior to full Board consideration on recommendations by the General Director and Executive Directors on matters relating to remuneration and staff terms and conditions of service.

# vi Charity Governance Code

During the year the board of trustees carried out a self-assessment against the Charity Governance Code and the board concluded that the charity's overall governance is robust and in line with good practice. The board is keen to ensure continuous improvement against the Code's recommended practice. In particular to ensure that a diverse range of skills, experience and other qualities continues to be represented on the board, and that this informs succession planning.

# 2. Organisation structure

Trustees are the final and top-level decision makers for the charity. The Board currently numbers 12 experienced and committed people who meet approximately four times per annum. The Executive Directors attend meetings of the Board but do not vote (with the exception of the General Director who is a Trustee). The Executive Director Team (EDT) are the key management personnel of the parent charity, responsible for directing and controlling BMS, running and operating it on a day-to-day basis and carrying out the strategy and policies set by the Trustees.

Within BMS there are currently five main departments each with its own director:

- General Directorate (Kang-San Tan) providing overall leadership for BMS with major emphasis on theological reflection, strategic thinking and representation
- Department of Finance and Corporate Services (Valerie Stevens) responsible for all the support functions for BMS including accounting, investments, HR, administration and IT
- Department for World Mission (Arthur Brown) responsible for BMS mission work overseas. Key roles include recruitment and placement of mission personnel and relationships with overseas partner bodies
- Mission Training and Hospitality, Birmingham (Mark Ord) responsible for the delivery of training for BMS mission personnel and others, and facilitating cross-cultural mission in the UK
- Department for Communications (Mark Craig) responsible for BMS' corporate communications portfolio, including church relations, funding, creative content, event production and resources

Responsibility for our work overseas is supported by a team of Overseas Team Leaders who have responsibility for mission personnel and partners and combine this with leading specific ministries. Broadly speaking our work falls into 6 main geographic regions: Asia, sub-Saharan Africa, South America, Europe, Middle East and North Africa.

# 3. Pay and remuneration policy

The constitution makes particular provision for the General Director to be a Trustee as well as an Executive of the charity. All other Trustees give of their time freely and no trustee remuneration was paid in the year, other than to the General Director. Details of this remuneration, trustee expenses and related party transactions are disclosed in note 10 to the accounts.

Salaries of all staff, including the EDT, are reviewed annually, taking inflation and the overall financial position of BMS into consideration. The Board has a remuneration sub-committee whose delegated responsibility is to review and recommend staff salaries and benefits.

An extensive grading and salary benchmarking exercise was undertaken in 2019. BMS developed a new job evaluation policy and the Board agreed to base BMS salaries on Croner median salaries for all charities in the £5m - £10m turnover range. The senior grades would be slightly lower than the median and junior grades slightly higher than the median. Holiday allowances were rationalised to give all staff grades the same holidays. BMS aims to award higher than average benefits including up to 10% employer pension contributions, generous holiday allowances and a range of flexible working opportunities within the needs of the charity.

# 4. Related organisations and companies

# i Baptist Missionary Society India

BMS has worked in India since its inception more than 200 years ago, but formally registered as a charitable organisation on 19 March 2015. Its objects align with those of BMS, who appoints the Trustees. Accordingly, consolidated accounts incorporate the activity of BMS India.

# **Baptist House Limited**

The charity has a 50% share in Baptist House Limited. The 50% share of assets and liabilities of this joint arrangement with the Baptist Union of Great Britain (BUGB) has been included under the appropriate headings of the Balance Sheet. In the Statement of Financial Activities external income is shown in the category 'Other income' and all costs relating to the arrangement are allocated to the appropriate cost heading within the 'Expenditure' section.

# iii The Baptist Assembly Limited

This was a charitable company limited by guarantee. BMS was one of two members (the other is BUGB) The company was dissolved at Companies House on 19 February 2019.

# *iv* Overseas partner organisations

The charity works overseas with partner organisations, providing funding by way of grants and/or the provision of personnel. Details of these partners and grants can be found at Note 6 of the financial statements.

# 5. Investment policy and review of investment performance

# i Investment powers

The Trustees have the power to invest in such assets as they see fit.

# ii Investment policy

The statements of investments principles set out the principles governing decisions about investments for the general and endowment funds and incorporate the BMS ethical investment policy. These statements are reviewed by Trustees regularly.

The market value of General Fund investments at 31 October 2019 was  $\pm 3.7m$  (2018  $\pm 3.4m$ ); endowment and property fund investments were  $\pm 2.3m$  (2018  $\pm 2.1m$ ).

# iii Investment selection

The entire BMS portfolio is invested in the CCLA Ethical Investment Fund to achieve investment requirements that balance income and capital growth, and to adhere closely to the BMS ethical investment policy. Both asset allocations are classified as 'medium' risk.

# iv Investment performance during the year

The BMS General Fund investments and Endowment Fund investments (unless specifically allocated in accordance with the fund) are in the COIF Charities Ethical Investment Fund. The income yield for the fund to 31 October 2019 was 3.21%, and the net annualised return for the Fund was 13.61% (BMS transferred investments into this fund over the 2-month period February – March 2018 and so comparative results are not available).

The graph showing market review data demonstrates that the fund has performed favourably against the markets.



# 6. Grant making policy

The Bible informs BMS about the value of stewardship. This value asserts that all of our resources, including financial, are a gift of God and as such need to be used with respect for the giver and wisely for the good of others. This value of Christian stewardship underpins the BMS grant making policy in that it demands our integrity, diligence, good practice and wisdom.

Grant applications must meet specific BMS principles, represent good stewardship and be able to meet BMS criteria for monitoring, evaluation and learning. Partner organisations are subject to due diligence and money laundering procedures.

In the year the charity awarded grants of £1.4m (2018: £1.3m). The Trustees' policy is that grants are made against a budget, approved by the Board of Trustees and managed by the Department for World Mission. Grants outside the budget are made from the mission innovation fund for new work, or from the relief fund in response to emergencies.

# 7. Public benefit statement

BMS meets the definition of a public entity under FRS102. In compiling this report the Trustees have given due regard to the public benefit guidance issued by the Charity Commission.

BMS has consistently delivered public benefits for over two centuries.

The historic object of the charity is stated as being to "enable the Baptist churches in the British Isles in making known the gospel of Jesus Christ throughout the world". Our purpose, in today's language, is to make known the love of God among the world's needlest people in spiritual and practical ways. We do this with people as our primary agents of change and accomplish our mission through our charitable activities.

The charitable work of BMS is funded by over £6m of public donations per annum. The vast majority comes from churches and individuals representing communities throughout the UK and a support base of over 300,000 committed individuals from across society.

The work of BMS is undertaken in around 30 countries of the world, giving priority to the most marginalised people, the least evangelised communities and people in the most fragile states. We distribute relief aid and undertake sustainable development without prejudice, irrespective of caste or creed. Through the charity in the last four years more than 900,000 lives have been changed.

# 8. Going concern

Trustees are keenly aware that the global COVID-19 virus pandemic has introduced substantial uncertainty into all aspects of everyday activity.

The trustees have made an assessment of the charity's ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements were approved for release. As a result of our assessment we consider that the charity is able to continue to operate as a going concern and that it is appropriate to prepare the financial statements on a going concern basis.

We have made this assessment after reviewing the Charity's forecasts and projections, which are being continually updated in light of the on-going COVID-19 pandemic. The trustees are of the opinion that the Charity will have sufficient resources to meet its liabilities as they fall due. In the most extreme situation this would require seeking external secured funding.

In making our assessment we did not consider there to be any material uncertainty relating to events or conditions that individually or collectively may cast significant doubt on the charity's ability to continue as a going concern following a review of the financial reserves in light of the post year end impact of COVID-19.

# Strategic report

# Achievements and performance

What we have done so far

# 1. A note on methodology

# Reporting beneficiary reach and impact-

Within the BMS strategic plan, the reach numbers allocated to each ministry are accepted as a standard indicator of output by BMS trustees. This is a new approach for BMS so whilst every effort has been made to achieve accuracy there are some information gaps which we are developing solutions to.

Reporting reach numbers relies upon partner agencies reporting on the use of funding and contribution of BMS personnel. This report covers the fourth year of the strategy to 2020 and is the third annual report in this format. The annual target is taken as a 20% contribution towards the overall goal of 'transforming one million lives by 2020', i.e. 200,000 each year.

BMS reporting requires partners to state the number of direct beneficiaries reached by BMS funding. Partner input to beneficiaries must be meaningful and substantial, with evidence of outputs and outcomes achieved. BMS will count direct 'line of sight' beneficiaries where there is a clear programmatic outcome of work through BMS mission personnel-led programmes or BMS-funded projects. In addition, BMS will consider the inclusion of **pro rata** beneficiary reporting when BMS is primarily investing in the capacity development of partner organisations. However, unless this is the only mechanism by which we can describe the nature of BMS's investment in a given partnership, *pro rata* counting will otherwise be avoided.

<u>Reporting on mission practice</u> - BMS continues to work through local church movements, faith-based NGOs, institutions and networks to achieve impact. Primarily, BMS seeks to place people in long and short-term roles in order to add value to partner agency capacity and programmes. However, in addition, BMS provides grants, applies for grants from third parties, and provides direct technical assistance to partners in the form of staff time, training and consultancy. BMS seeks to represent its partners, be shaped by their voices and speak on their behalf into places of influence. BMS also seeks to connect the UK Baptist constituency to the complex needs of the world at a time when the majority Church is no longer located in the western world but in the global south.

In 2017/18 BMS conducted a series of stakeholder consultations which led to the formation of seven ministry sector position papers. These papers established the normative boundaries of BMS's mission practices and laid out a series of recommendations including areas for fresh development.

# 2. Summary of activities during the year

a. Church - Growing culturally-relevant expressions of Christian community, formed and led by indigenous believers. The five-year aim is to share the gospel message with 500,000 people and plant 500 Christian communities.

Through local partner movements and the contribution of UK-based mission workers we have sought to share faith through word and deed. In 2018/19 our aim was to meaningfully share the gospel with 100,000 people. In practice it is estimated that we enabled the Christian faith to be shared explicitly with around 117,000 people in the period reported.

Outcomes from this ministry sector had been significantly off track in previous years. During 2018/19, BMS took the step of establishing a new full-time post, purely focused on developing this ministry area. Accordingly, an Evangelism and Discipleship lead was appointed in June 2019 and inspiring reports of church planting, baptisms, leadership development and encouragement have since come from our partners.

In Bangladesh, BMS support has directly impacted 516 men and women in ministry, including pastors, evangelists, youth leaders and pastors in training. Some of the evangelists have been planting churches and, as BMS partner Bangladesh Baptist Church Sangha (BBCS) reports, *"bringing hope and help to Moslem and Hindu communities"*. The BMS Evangelism and Discipleship lead notes, *"During my visit to Bangladesh in 2019, I went with the General Secretary Rev. Ashim Baroy and evangelist Matthew to their recent church plant. I noted 100 adult people and many children. 70 adults are getting ready to be baptised in January 2020. Matthew has planted six well-established churches. Ten* 

# BMS supported workers have altogether planted 60 churches. It is estimated that in the year 2018/19, through a variety of events and programmes, they have proclaimed the gospel to 160,000 people".

BMS mission workers, Peter and Louise Lynch have also contributed significantly to the development of contextualised pastoral ministry within BBCS. The Evangelism and Discipleship lead notes that "They have been a huge encouragement to the evangelists and pastors who are working in very difficult situations. Their pastoral mentoring programmes have helped over 200 pastors learn how to grow people, identifying and developing emerging leaders within their local churches."

In previous annual reports, it has been acknowledged that BMS needs to scale up its level of support for key partner Big Life Ministries. Big Life reported, "*We would like to praise the Lord for an increase of 3566 new fellowships since last November 2018. This has been greatly influenced by the training of over 5200 leaders and we have been praying for more than 50% of these leaders to reproduce this training to other leaders under them.* "With around 20 people in each of those new fellowships, we anticipate a total reach within this particular partner of around 73,000 people. This reflects an *increased level of BMS investment in Big Life's team of supporter partner workers as well as targeted investment in outreach and church planter training. Big Life is a scalable model with a 'multiplication dynamic' built in meaning that relatively meagre levels of investment from BMS can lead to significant church planting outcomes.* 

In 2018/19 BMS carried out a monitoring and evaluation visit of Big Life, analysing capacity, risks and veracity of reporting. The conclusion was that while there are risks to capacity, the model and feedback mechanisms are highly credible. However, it is recognised that external factors pose the highest risk to the continuing impact of Big Life in India. The World Watch list places India within the top 10 hardest places to be a Christian and the freedom of religious belief is reportedly deteriorating. BMS-supported church planters experienced significant levels of opposition during the previous year. Big Life reports "*They [authorities] are enforcing and implementing a lot of rules and violence against Christian organisations. Due to this, a lot of open evangelism has been restricted but people have become more passionate even after persecution to share the gospel in their circle of influence.*"

BMS has a strong strategic reliance on Big Life but to expand the impact some contact has been made with other 'discipleship-making movements' (DMMs). It is hoped that these networks and groups can be more deeply engaged with in the coming year. This sits alongside a growing engagement with existing indigenous church planters and leaders, most especially in Thailand.

Following a review across the 23 BMS partner agencies involved in Church work with BMS, it is anticipated that total reach figures in this ministry area will be around 287,000 since the start of the strategy period four years ago. This is 113,000 below the four-year target of 400,000 and some 213,000 off the five-year target of 500,000. That said, we are very happy with the obvious uplift over the last year and feel justified in the decision to dedicate a full-time role to this important ministry area. Our expectation is that we will fall short of the overall five-year target although anticipate a further uplift in beneficiary reach figures again in 2019/20.

**b.** Education- Enhancing life opportunities by providing access to education for those on the margins, including all ages and especially women. The five-year aim is to enable 50,000 people to access education and training.

The BMS strategic plan for education focusses on "*Enhancing life opportunities by providing access to education for those on the margins, including all ages and especially women*". Through BMS personnel and local partners, BMS has sought to enable access to education and training for those on the margins in locations such as China, Nepal, India, Brazil, Bangladesh, Kosovo and Tunisia.

We also recognised that the education ministry sector was not developing at the rate which was anticipated, although it has been on track up to the end of year three. Again, the decision was taken to reconfigure responsibilities of one senior staff member to take advantage of his obvious skills and experience in this ministry sector. This has allowed him to concentrate much more on the delivery of quality services within BMS's various education-focused partner agencies.

BMS recognises the tremendous value of mission schools including the GDQ International Christian School in Tirana, Albania (GDQ), Grace International School Bangladesh (GIS) and Kathmandu International Study Centre, Nepal (KISC), and the vulnerability of children of mission personnel. Increasingly, however, in terms of recruitment placements, we have prioritised working with mission

school partners who are enhancing local educational capacities, whether this is by admitting national children into these schools or enabling teacher training development for national teachers.

A primary focus of the past year has been the pre-school educational project in Bangladesh, headed up by Louise Proctor, and the ongoing development of KISC Education Quality Improvement Programme (EQUIP), the dedicated Nepali teacher training educational quality improvement programme. Both programmes have focused on training national staff. In Bangladesh, the project now has its first supported partner worker, who is working closely with Louise to bring pre-school training to a wider number of BBCS pre-schools (currently around 27).

A 2018/19 review of the KISC EQUIP program in Nepal carried out by BMS' Overseas Team Leader for Education served to reinforce the need to continue investing in teacher capacity as a key pathway to better educational outcomes for children in countries where teaching standards vary greatly.

KISC EQUIP has faced various challenges in relation to visas for its BMS-hosted workers from the UK. At the same time, rules that now expect public schools to be taught in English have provided an opportunity through English language teaching for teachers. Other opportunities to enhance the quality of teaching have also emerged. KISC EQUIP reports that they have, *"set up high quality ICT [information and communications technology] labs in public schools in Nepal*".

In addition, BMS also developed new partnerships such as that with Midibart Blind School in Kinshasa in DR Congo. With facilities at Midibart nearly as bad as the social stigma attached to blindness in that country, BMS was able to provide desks and other equipment to improve the quality of the teaching environment.

BMS education ministries also engage with a partner in Kosovo which focuses on children prejudiced by ethnic marginalisation. One BMS mission worker noted that "*almost 50% of our preschool pupils are from marginalised ethnic groups. 100% of our pre-school pupils are from minority or marginalised groups. Two thirds of our pre-school pupils are girls*". Opening the minds of those on the margins to opportunity and possibility is a critical vision of BMS's partner in Kosovo. In the reported period, BMS's partner taught Albanian, Russian, mixed Serbian-Albanian, Roma, Serbian and Croatian pupils.

The BMS Overseas Team Leader for Education observes that "*everyone wins when a teacher gets* better, and these programmes will continue to emphasise quality teaching and learning in the coming year and hopefully beyond".

Over the last year, we again have seen a significant uplift in the number of beneficiaries within this ministry sector with an estimated 15,200 in the previous 12 months bringing a total of around 46,200 by the end of year four of the strategy period. In aiming for 50,000 beneficiaries by the end of 2020, BMS is on track to exceed this target.

**c.** Justice - Enabling individual people and communities to access justice and to advocate for those without a voice. To develop justice ministries in four countries. The five-year aim is for 120,000 people to be impacted by justice ministries.

Throughout BMS' work globally we have observed cross-cutting trends relating to justice. The first is in the arena of religious liberty, particularly concerning Christian persecution which has been anecdotally fed back to us in places like Nepal and observed within evaluations of partners like Big Life in India. Secondly, we continue to see a slow response to issues of gender justice amongst many partners. Finally, although there are some examples of partners (often NGOs and churches) gaining recognition for the value they bring, many also have experienced a shrinking space when it comes to rights protection and civil society voice.

Within this context, some mission personnel such as Paul and Sarah Brown have embarked on 'business as mission' ventures in order to provide voice, inclusion and protection for vulnerable women in Thailand. Within BMS' UK offices, and alongside mission personnel overseas, we conducted a gender audit in 2018/19 which found some deficiencies within our head office and lack of awareness by overseas workers. While there are many recommendations to implement within the gender audit, more creativity is required to engage partners overseas.

BMS staff once again participated within the All-Party Parliamentary Group on Freedom of Religious Belief, making representation to the group on religious liberty deficits in various countries where BMS

works. However, it is unclear how far we can measure any diplomatic influence that may be being exercised by the UK government, for example against the BJP-led Indian government.

BMS' justice ministry is primarily advanced through partner agencies using the law to bring multiple avenues of awareness and voice at the civil society level.

Uganda Christian Lawyers' Fellowship (UCLF) is BMS' largest-contributing partner to its justice ministry. It has engaged with the government of Uganda's consultations and produced an NGO policy handbook for churches and faith-based organisations as a helpful organisational tool. Vincent Mutonerwa, the UCLF Executive Director notes "*Some government practices cannot allow us to operate freely in Uganda. Civil Society Organisations, especially the ones in Legal Aid, are presumed by the government to be used by foreign powers to oppose the sitting regime. Hence they are being monitored and prohibited from conducting certain activities like representing arrested and tortured political activists and indigent persons.*"

UCLF continues to provide community legal education sessions in an attempt to grow civil society empowerment and participation. UCLF estimates it has provided practical legal awareness to more than four million people through broadcast media, although these numbers do not meet our standards of reporting integrity so are not included in BMS reports. The Ugandan police are often cited for restricting access to rights protection, however UCLF had the opportunity to train CID police officers at Wandegeya police station for three days on land, criminal procedure, small claims, wills and so on. Furthermore, through the Paralegal Advisory Service (PAS) project, UCLF paralegals have been able to provide face to face assistance to those caught in conflict with the law, unaware of their rights and unable to navigate a bewildering criminal justice system. PAS paralegals lobbied for bonds for suspects hence decongesting police cells and sensitised suspects/inmates on their rights. Examples of this include their right to expression, right to information about the status of their files and the right to communicate with their relatives. BMS-supported PAS paralegals followed up on 738 various suspects/inmates' files with the officer in charge of criminal investigations, resident state attorneys and with other officers. This is a good example not only of the CLEAR project's methodology which the BMS justice position paper highlights, but also PAS being a good example of affordable, 'good enough' access to justice.

Elsewhere, the work of the Association of Mozambican Christian Lawyers (AMAC) has focused on internal capacity development. They received a finance capacity assessment and have a plan for developing a deeper and more responsive money handling process. This has been a year of some turbulence for AMAC but active measures have been taken to establish firmer foundations for future growth. In spite of these organisational challenges, impactful work has been conducted. For example, legal aid lawyer and BMS-supported partner worker Agira Tambo has represented indigenous clients on a variety of areas, including employment, criminal, family, property and civil law. Agira notes one beneficiary example "*We received in the office a man who had been employed by a security company for a long time, however he had not been paid his salary for four months. Afflicted and desperate because of the lack of salary, he came to the AMAC office to pursue his right to remuneration. AMAC helped to accompany his case to the competent court and at last he was paid the salary owed to him".* 

The BMS justice position paper notes that partners working on justice and advocacy should look to enable the church as an active civil society member. It has been pleasing to see the progress made in this area by another BMS-supported partner worker at AMAC, Fernando Francisco, whose role is to improve access to justice and legal protection of rights for the vulnerable and marginalised people in Mozambique, achieving much of this work through the local church. He notes work among 150 beneficiary missionary educators and various Baptist church members.

The justice ministry is bringing significant transformation to the lives of individuals, however, there has been a drop off in numbers across both UCLF and AMAC. Some of this has been as a result of the internal challenges facing AMAC over the previous 12 months and down-sizing of UCLF activities in recent years due to the loss of a major donor. In year four, BMS justice ministries reached 15,439 people.

BMS is 16,000 beneficiaries behind its four-year target of 96,000.

**d. Development** - Enabling individual people and communities to experience wellbeing economically, socially and environmentally, intentionally planning for sustainability and resilience.

In the reported period, BMS work continued to emphasise reliance upon local resources using church community mobilisation (CCM) methodology in line with the development ministry position paper.

BMS has worked closely with the Nepalese Baptists, both through their church structure as well as through their social development wing, the Multipurpose Community Development Services (MCDS).

In the last 12 months Baptist pastors have been trained in CCM methodology or 'sangasangai' process in Nepali, with this in a context where the government increasingly views church groups with suspicion. The Nepal Baptist Church Convention (NBCC) recognises the importance of a gospel which is not just good news for the soul but also good news for the social and economic wellbeing of communities across Nepal. One recipient of CCM training acknowledged that "CCM has brought great transformation......Church members are now owning the common Bible study and spiritually awakening in their individual life, family life, church life and community life."

Supplementary to this, MCDS has developed 'self-help groups' (SHGs) to create local asset pools within communities to support themselves. This not only brings resilience but also pride and dignity. MCDS organised two-days group management leadership training in Rukum to enhance the leadership skill of SHGs leaders. 20 members of five SHGs of Rukum participated. The training developed leadership skills and the capacity of SHGs leaders. Mr. Budha, a beneficiary of this training adds " *I not only learned about leading SHGs but also learned about how to develop my personality.....in an effective group, a leader should be competent and capable, and this learning has built my confidence.* "

Unemployment is a huge problem for many of the people that come through the doors of BMS partner Tek Ura in Albania. According to BMS worker Dan Dupree "*Many are disillusioned by the process of [job] application and believe there is little hope. Thanks to the activity of the Tek Ura's Forum and drop-in service a number of people have been put in contact with an employment agency and have found work*".

However, a number of those beneficiaries that have begun work in local factories speak of the poor working conditions. Dan notes that "some of the women working in local factories have not been paid in two months, they share how they have no leverage in the situation as they will simply lose their jobs if they complain". While legal recourse and rights awareness are being developed, the community at Tek Ura helps to sustain these vulnerable women and the critical aspect of Tek Ura as a resilient community remains of high importance.

If the formal workplace is exploitative then the alternative sources of income are often dangerous and predatory. Recent reports suggest that Albanian gangs are considered among the world's top heroin, cocaine and cannabis traffickers. Many of the community that Tek Ura serves are well-aware of the influence of local 'mafia' on the day to day lives of people in the neighbourhood. Young men, in particular are enticed to either peddle illegal drugs locally or travel illegally to parts of Europe (including the UK) to work in underground drug processing and distribution activities. BMS-supported work such as 'play and pray', as well as football outreach helps to encourage these young men away from such risky life choices and provides encouragement and accountability within the Tek Ura community. Other forums have continued this year and have sparked positive change in the community, ranging from bringing about employment forums, a group from the council fixing the road following community pressure and a groups community cleaning.

Away from community-based approaches to support and livelihoods, BMS recognises that external inputs are often required to kick start community wellbeing. While external inputs into development are not ideal most of the time there are certain necessary services such as access to safe water which simply require external expertise and investment. Community access to safe water has been a theme within BMS work over the period reported. In Peru, BMS worker Laura Lee Lovering was able to redesign and upgrade a pipe water system to provide stable access to safe water for 216 people in the Union community near Nauta. The community now have a regular supply of safe water every morning and evening including the dry season.

In Uganda, BMS mission worker Tim Darby continued to develop WET Consulting which sells commercial borehole drilling services in order to supplement its access to safe water projects in poorer communities across northern Uganda. Similarly, BMS's partner in Afghanistan ran WASH (Water,

Sanitation and Hygiene) activities in remote communities. They report that 295 men and women attended the WASH courses. 68 families received access to hygienic latrines in 15 villages (94 men, 95 women, 101 boys and 70 girls have access to safe latrines). A BMS worker in Afghanistan notes *"we continued work on the pipeline, bringing clean water to the village. Early this year we started building the two water collection points and now, all the people have access to safe drinking water. They are happy and tell us that in winter it was good to use the safe water and not risk their lives from avalanches by walking far to collect water."* 

After four years BMS has had a transformational impact on 123,400 lives, far more than the 80,000 targeted for this stage of the strategy and exceeding the total five-year target of 100,000. We will keep going, working to enable people to lift themselves out of poverty, form resilient communities and provide support where there is need.

e. Health - Helping people experience health and wellbeing through increasing access to training and provision of health and psychological care.

In recent years, BMS been particularly successful in delivering health services to people in remote and fragile locations. This has been a source of much encouragement and is a strong vindication of the role of mission workers in bringing developed world skills to remote and extremely fragile locations where life-saving expertise is lacking. As more and more people migrate from fragile states, the provision of at least one fundamental public service, health care, can create a context of national hope and opportunity.

In 2018/19 BMS was able to support partners in the delivery of maternal health care. In northern Uganda, BMS supported a partner working with refugees from South Sudan. In the previous year BMS has helped acquire CRADLE devices for monitoring blood pressure in pregnant women in remote locations. After an initial period of training, 2018/19 saw the rollout of this programme. Although not included in the numbers quoted in this report, it is thought that through a training of trainers programme, more than 100,000 vulnerable mothers have been tested for high blood pressure using the CRADLE device.

In 2018/19, BMS was able to provide much needed capacity grants in the Mental Health Programme of our partner in Afghanistan which targets parent-led mental health support. BMS enabled two of the partner's team members (including one Afghan and one expatriate volunteer) to participate in a master training course on child development in the UK. They became the first certified master trainers to deliver positive parenting training in Afghanistan. Upon their return, they organised the same training for ten staff in Herat. As the result of this training, new approaches on parenting have been introduced to communities. Through surveys attempting to capture changes in attitudes and practice there is strong evidence of adoption by beneficiaries which should hopefully lead to a reduction in mental illness in the future.

Beyond mental health, BMS has continued to support maternal health work in remote parts of Afghanistan. One project worker reports, *"we received a phone call about a girl from a village in the neighbouring valley…..lt was 60 km to their village, and it took four hours for us to get there: it was dark, it was hard to see, but we got there in the end. When we got there, we saw the patient and saw that she was not doing well - she had appendicitis and there was a danger than the appendix would rupture. Loading her on to the snow mobile, we set off back to the hospital in Lal, eventually arriving at 11pm that night.* 

They checked her at the hospital and said that unfortunately the appendix had ruptured and she needed urgent care beyond what could be provided in a small hospital. There is a larger hospital in the District Centre, but the roads in that direction were also closed because of the snow. After speaking with the family, we set off early the next morning towards the District Centre - another 60km in the other direction! The hospital was able to perform life-saving surgery, and - thanks be to God she fully recovered. Without the snowmobile, she would have surely died."

The Guinebor 2 hospital in Chad continues to be an important partner within BMS's health ministry sector. In 2018/19 BMS enabled Guinebor 2 to care for over 20,000 in patients and out-patients. With each successive year, this hospital has grown and there have been concerted efforts to broaden its capacity to meet ever greater numbers of patients. No fewer than six new mission workers have been recruited and anticipate joining the team in 2020. It is still hoped that Guinebor 2 will be able to apply to the Pan African Association of Christian Surgeons (PAACS) for African surgeons to be trained at the hospital. BMS has also helped to broker discussions with two other groups for both a paediatric rehabilitation facility and a general physician training programme. However, the inpatient wards care

for an average of 200 patients per month is inadequate. There are only 44 inpatient beds and sometimes the wards can get crowded, meaning that women and men have to be cared for together on the same paediatric ward at times.

BMS worker Kalbassou Dalbassou has become the Hospital Director. This signals a strong move towards African leadership and ownership. Facilities have also improved with BMS mission worker Claire Bedford obtaining grants from the Swiss Government to rehabilitate the x-ray facilities provided at Guinebor 2. Claire notes that *"A functioning x-ray service is an absolute necessity for Guinebor 2 and being without one for 18 months has meant our patients have had to travel into N'Djamena to have x-rays carried out".* 

In the BMS health position paper, healing of the whole person is recognised and therefore follow-up care and pastoral care have a clear role to play. Sita Gurung and Tham Bahadur Gurung, BMS supported partner workers embedded within BMS's partner the International Nepali Fellowship, Nepal (INFN) continued to provide pastoral care and counselling services in Nepal. Although INFN has reduced its involvement in this project over the last 12 months, Sita notes that, *"the pastoral care service is helping patients heal spiritually, emotionally and psychologically which is often critical to their recovery"*.

The long-term impact of this community based, pastoral approach to health care is highly impactful. One example is that of Khem Bahadur Gurung a 26 year old man from Pokhara. Khem is a spinal crush injury (SCI) patient who has suffered from pressure sores. He was trained by project staff at INFN to get dressed and provided with wheelchair training. With the help of counsellors, he stayed motivated to continue with his therapy, and with support, care and therapy Khem was encouraged to set and achieve his rehabilitation goals. This including propelling his own wheelchair, using the toilet and getting himself ready for bed, as well as provide food and drink for himself.

Improved therapeutic care and occupational therapy plays an important clinical role in BMS-supported INFN work, and BMS has helped to support the training and delivery of these. During the reporting period, a total of 4011 physiotherapy and occupational therapy sessions were provided by INFN. At community level, BMS partner Sarwangin Sewa Samaj (SSS) has also assisted the formal district health sector in Nepal with soft triage skills, provision of basic support and referrals.

The strategic target is to enable 100,000 people to access health care over five years. In the four years so far, with the wide reach of partners like INFN and significant investment in partners in Afghanistan and Chad, BMS will have supported around 256,300 beneficiaries in its health ministry.

f. Leadership - Empowering strong and effective indigenous leadership by equipping people with leadership skills and biblical understanding. The five-year aim is to develop missional thinking among 20,000 people in the UK and 10,000 people overseas in ten partners.

This ministry area has received significant attention in the previous 12 months through concerted liaison between BMS Birmingham, the Communications Department and the World Mission Department to ensure that this is an area which is strongly invested in.

Mission leadership comes from learning, reflecting and practicing, therefore extracting people from their contexts of life, ministry and witness into institutions for two or three years creates discontinuity. It is preferable to provide localised, approximate, accessible and relevant mission training for emerging leaders. However, in developed contexts it has been possible to deepen academic levels of leadership development.

In India, BMS partners have facilitated some basic training for some of their leaders (including a diverse group consisting of young and older women and men). While the quality of the training cannot yet be assessed, the recently developed the Global Institute for Vocational Training (GIVE) as a resource centre in Delhi provides a good base for this to take place. Likewise, traditional BMS partners in eastern India have new leadership development initiatives in place, with a vision to double the number of churches in their region within the next 5 years. Excitingly, they have also connected with Big Life, who will be doing some 'discipleship-making movement' (DMM) training – demonstrating clearly that both a DMM approach, and a more traditional established church model can work together and learn from each other.

In Europe, the development of the contextual leadership development initiative at the International Baptist Theological Study Centre, Amsterdam (IBTSC), which BMS actively supports, has enabled

different theological teaching institutions to share research and learning together enhancing the exposure of emerging leaders. This in part has been enabled by the work of BMS mission workers Dorothy and David McMillan in Amsterdam and staff in BMS' Mission Training and Hospitality Department.

In addition, BMS provided financial support for the exploratory stage of the development of a Middle East and North Africa (MENA) collaborative PhD programme involving two of our existing partners Bethlehem Bible College (BBC) and Arab Baptist Theological Seminary in Lebanon (ABTS) and the Evangelical Theological Seminary, Cairo (ETSC). These are very early days, but if this develops it will be unique in the region.

In Thailand, BMS partnership with Siloam Bible Institute which is affiliated to Thai Karen Baptist Convention (TKBC) has been instrumental in developing ministers for the growing Karen Baptist Churches. Through the support we offer to the college they have been able to secure the skills of a principal and a teaching staff to help the college in their training and preparing about 100 students for pastoral, evangelistic and church planting ministries. As part of their training every month they go out to evangelise communities with the support of 4 national youth leaders, who are supported by BMS.

Moreover, BMS supports three national female leaders who exercise very effective evangelistic ministries. The women's work continues to thrive with BMS supporting 12 of the leaders (General Secretary, Evangelism leader and a Co-worker in the regions). There are risks associated with travel, but the women are sharing travel with other TKBC leaders where they can to avoid travelling alone. They have unique opportunities to evangelise as well as to support the women of TKBC and family life more widely.

The strategic target is to enable 30,000 people to access leadership development over five years. In the four years so far, BMS will have supported around 59,938 beneficiaries in its leadership ministry and has thus nearly doubled its five-year target.

**g.** Relief - Working at effective collaborative responses to disasters and building resilience in those areas most at risk. The five-year aim is to coordinate disaster relief responses impacting 100,000 people.

The focus of the relief ministry this year has once again been working with local partners in responding to a number of crises. These included the strongest cyclone in the Southern hemisphere (Cyclone Idai) in Mozambique, the deadliest earthquakes of 2019 in Albania, the ongoing Ukraine crisis and the unprecedented bombings in Sri Lanka, to name a few. The generosity of BMS supporters has allowed this work to happen, and for people to receive hope at a time when all can seem lost.

This ministry has continued to work in partnership with the Baptist World Alliance Forum for Aid and Development (BFAD) in seeking responses that are coordinated and collaborative, with the local organisations at the centre. This has enabled BMS to be involved in responses that have a greater impact, through the sharing of resources and information.

One of the newer areas of the ministry this year, has been the increasing amount of psychosocial, counselling and spiritual support for responders. BFAD has highlighted this as a key area of work that needs to be considered within responses. Those who undertake responses and deliver relief or recovery programmes, often are affected by the crisis themselves and face high levels of pressure and stress. Providing small retreats for them allows them to be refreshed and ministered to themselves. This allows them to 'recharge' and be ready to continue responses that often stretch out for months or years, alongside their day to day jobs. This area of support is likely to continue being a key feature over the coming year.

We expect and plan for crises to occur every year. The relief ministry will continue to minister to people involved in protracted crises around the world, many of these 'hotspots' show little sign of improving in the next 12 months. Such places include South Sudan and Ukraine. In addition, certain sudden onset disasters can take between five and ten years to recover such as the Nepal Earthquakes (which will mark five years in April 2020), as well as Cyclone Idai in Mozambique.

The strategic target is to enable 100,000 people to access relief ministry benefits over five years. In the four years so far, BMS will have supported around 60,600 beneficiaries in its relief ministry and is therefore significantly off track against the five-year target.

# 2. Progress against strategy 2020 targets

In 2018/19 BMS reached an estimated 267,037 beneficiaries bringing the four-year total to more than 915,000 beneficiaries, so there is no doubt about us exceeding our five-year target of impacting over one million lives. It is pleasing to see that recent targeted approaches to the Church and Education ministry sectors have yielded significant results.

Beneficiary reach data for the 4th year of the strategy 2015 – 2020								
	Years 1-3	Year 4	Years 1-4	Remainder	Target	performance		
	(restated)			to achieve		based % to		
				target		date		
Church	170,051	117,600	287,651	212,349	500,000	57.5%		
Education	30,836	15,331	46,167	3,533	50,000	92.3%		
Justice	65,691	15,439	81,130	38,870	120,000	67.6%		
Development	89,196	34,216	123,412	exceeding	100,000	123.4%		
Health	205,880	50,515	256,395	exceeding	100,000	256.4%		
Leadership	37,588	22,350	59,938	exceeding	30,000	200%		
Relief	49,012	11,586	60,598	39,402	100,000	60.6%		
Total	648,254	267,037	915,291	84,709	1,000,000	91.5%		

# 3. Mission Mobilisation

The history of BMS, across 227 years, is one in which the central theme is God's people coming together to enable the purposes of God.

In the many generations covered by that period, there has been an ongoing cycle of challenge, encouragement, success, disappointment and the need for new thinking.

It is no different today, even allowing for new supporter expectations, very different financial situations, wildly different technology and a highly unpredictable global context. The aim remains for BMS to catalyse the efforts of people in churches supporting, doing and praying for mission endeavour across the world.

This last year was deeply challenging and reflected many of the rapidly growing uncertainties in our operating context. Donation income overall was disappointing, despite very significant efforts to address a developing trend of declining income.

a. Giving - we have pursued an active programme of diversification of our income streams, aiming to establish additional routes for us to engage with supporters, largely on their terms. Supporters are becoming ever-more sophisticated in their understanding, both of issues and also of fundraising. We have worked diligently to build new opportunities for supporters to engage with, and give to, BMS which respect that increasing knowledge.

Church giving is a key issue, driven by rapidly declining numbers of people in our supporting churches. All three of

the Baptist unions on mainland Britain are reporting significant drops in overall numbers in their churches. That overall number is well beyond a 10% drop since 2010 and is closer to 15% now. If that trend continues to accelerate, there is a tipping point coming for BMS, which will in turn need to result in a dramatic shift in BMS' forward strategy.

Our income for the year to 31 October 2019 from donations and legacies amounted to £6.7m. This is £244k above the same time last year. However, these numbers conceal a worrying emerging picture. Core giving for the year is £427k under budget, mainly due to church giving not meeting targets. This reflects the decreasing numbers of people actually in the churches.

Our income diversification programme has seen a number of successes. Targeted appeals are beginning to show real promise in generating engagement and income from individuals. The material for Life's First Cry was a finalist in the Charity Film Awards 2019:

- Life's First Cry raised £96k
- Ukraine Winter Appeal raised £63k
- Church Planting in Odisha generated £38k

In addition, the response to Cyclone Idai in Mozambique resulted in  $\pm$  87k of donations.

**b. Praying** - we continue to invest significantly in resourcing and equipping our supporters, as they engage with us in some of the most complex and intractable issues in our world today. Our key ongoing publications and resources, in every survey and assessment we carry out, are key in sustaining and developing engagement with the issues, with the most important aspect of that being the ongoing collective prayer of God's people.

The main suite of publications and resources is:

- Engage our flagship supporter magazine
- Exchange our alumni magazine for those who have served with BMS and are amongst our best supporters
- Equipment a small updating resource for BMS representatives in church
- Mission Catalyst a 'thinking' resource for leaders
- Prayer Guide our core prayer resource, for everyone

That suite, together with our engagement-focused web site, provides a comprehensive resource bank for our supporters of all kinds to draw on, and is much appreciated.

 Going - we need, as we have always done, an ongoing supply of people willing to serve with BMS in many of the complex, challenging locations we work in.
 People coming forward to offer for service have almost always made a long and complex journey with

BMS. Their route to us often consists of a rich mix of:

- Hearing first-hand about BMS in churches, through speakers and Action Teams
- Reading about BMS in our publications and in church ones
- Talking with church leaders about their sense of call
- Praying in a focused way, aided by BMS inputs

Our resourcing programme has at its heart an aim to enable people to hear God's call on their lives, and we work tirelessly to develop new and engaging ways to deliver that.

Several people who have offered to serve with BMS in recent years have cited the impact which our Catalyst Live and Assembly events have had on them.

In 2018, Catalyst Live brought together another eclectic line-up of contributors, all aiming to challenge the audience to think in new and different ways about God and his calling on their lives. Our contributors at the event included:

- Adrian Snell
- Paula Gooder
- Harry & Chris
- Gary V Nelson
- Ron Choong
- David Bebbington
- Amy Orr-Ewing

# Plans for future periods

What we plan to do next

### What we plan to do next

Within church ministry, discussions are planned with other discipleship-making movements in west Africa and it is hoped that further encouragement can be brought to networks involved in this same DMM methodology.

In the coming year, we anticipate business as usual as far as education work is concerned. There is a specific desire to engage more fully with the BMS related schools overseen by the Baptist Churches Trust Association (BCTA) in India, assist the scale up of KISC EQUIP operations in Nepal as well as a review and reorientation of the early years project in Bangladesh. In other words, as this sector is on-track, we aim to push for greater project effectiveness in some partnerships and improved reach amongst high-performing partners.

Within justice ministries, we plan to have early discussions with justice and rights education groups in India. Also, in 2019/20, the plan will again be to create stronger processes and systems within weak justice partnerships. Capitalising the Browns' business as mission venture or transferring it under a third party is also a decision that will need to be made. In addition, partner safeguarding training will be a priority as will working out plans both in the UK and overseas in regard to the gender audit.

As development ministry is firmly on-track there are no plans for further expansion but instead we will focus on helping fragile partners consolidate and helping flourishing partners refine their methodologies. There are further plans to continue supporting WASH inputs in Uganda and Afghanistan as well as continued focus upon community resilience through CCM and SHG approaches.

In 2019/20, we hope to see the high quality of our health partners continuing. As with other on-track ministries our broad approach will be focus on capacity, quality improvement and scaling up partner reach where those partners have establishing a track record of effective working. In some fragile locations finding trained staff is hard. We will aim to place western mission workers into both Guinebor 2 hospital and with our Afghan partner. Both locations remain a recruitment priority.

Within the leadership ministry in the coming year, BMS will be working towards its next five-year strategy and this is likely to place a greater focus on developing leaders through networks globally.

Likewise, the relief ministry, while off-track in terms of beneficiary reach, is reactionary insofar as it depends upon involvement in certain disasters particularly sudden onset crises. The greater objective is the creation of a fully-fledged international network for delivering effective aid in a coordinated manner which empowers and sustains local partners. That will continue to be a major focus of BMS relief work in the coming year.

BMS is seeking God's guidance for our ongoing strategy 2021 – 2025. After an intense year of consultation with a very wide range of stakeholders and missiologists from around the world, the Board of Trustees are developing overarching themes for the new strategy which will be developed during 2020 into an operational strategy that is relevant and appropriate for the new decade.

This focus on the new strategy continues in the context of COVID-19 whist immediate action is being taken to manage the impact of the pandemic on BMS. Overseas, 70% of mission personnel have remained in country and with the help of our supporters BMS is providing funding and expertise to enable local preparation and responses in the countries where we work. We are working to maintain priority activities and strong support to mission personnel whilst managing costs tightly in the face of uncertainty over income generation. In the UK all staff are working from home and around 40% will spend some time furloughed. The mental health and well-being of all personnel is an active consideration.

# Principal risks and uncertainties

Trustees regularly review the internal and external risks to BMS and give consideration to organisational attitude to risk. Trustees have identified the most important potential risks and uncertainties that may seriously affect the performance, future prospects or reputation of BMS, and have assessed how the risks are being managed.

Potential risk	How we manage the risk
Safety and Security Risks are faced by BMS mission workers and staff as a result of the BMS strategy to work in fragile states amidst pronounced global insecurity.	BMS has a comprehensive 24-hour crisis management policy, with detailed procedures for handling events of whatever nature, be they health-emergencies or issues related to personal safety. Our commitment to work in dangerous places requires us to embrace, but minimise, a certain level of risk. When necessary BMS withdraws mission personnel or moves them to less risky locations. After a wide review of the BMS crisis management response plan in 2018, regular crisis response scenarios and reviews are undertaken to embed preparedness.
Safeguarding Issues around the protection of children and vulnerable adults in its care and in the care of mission workers.	Well-developed communication and safeguarding processes are in place and BMS has less tolerance to this risk than any other. BMS has entered a partnership with a specialist who provides training to staff and partners. BMS has an experienced trustee with designated responsibility for safeguarding.
Funding BMS support comes primarily from the Baptist denomination which provides a loyal and consistent support base. However, BMS is vulnerable to the financial strength, risks and uncertainties of the Baptist Unions of Great Britain, Scotland and Wales and their member churches. This is particularly exacerbated with the risks to the UK economy from Brexit and the giving capacity of our supporters. Pension liability BMS' defined benefit pension scheme is open to risks of increasing liabilities relative to the value of investments.	An independent but close relationship is maintained with the three mainland Baptist unions to stay abreast of their own risks and uncertainties. A direct communication and church partner programme has been developed to enhance direct relationships with over 2,000 churches and our individual supporter base. BMS continually strives to manage costs and find alternative ways to work in order to ensure ongoing effective use of resources with new initiatives planned for 2020. The scheme is closed to future accrual. The employer covenant is strong and BMS works with the Pension Trustee and its advisers to understand and mitigate the risks. The fund is fully valued against its technical provisions and this is enabling further risk reduction to take place. The investment strategy incorporates hedging against both currency and interest rate risk and a long term investment strategy is in place to gradually reduce risk from the investment portfolio.
Brexit A range of potential risks have been considered. Those that could affect BMS are: Impact on movement of people, visas Exchange rates Competition for funding	BMS is following developments and will be prepared to make changes to working practices if necessary.
Impact Not demonstrating sufficient impact from our work, or failing to meet donor expectations	BMS has consulted widely with stakeholders in 2019 as part of developing the next strategy and seeks to maintain strong connections with our donors through high quality communication content, church visits and representation as members of BMS. Regular monitoring, evaluation and learning is reported from our partners and BMS has a rigorous reporting framework used to gauge outcomes and assess impact.

Overesse Evenerality	DMC has a valling any avanue in valation to partner constitut
Overseas Expenditure	BMS has a rolling programme in relation to partner capacity
The majority of the charity's expenditure takes	building. This ensures that there is greater financial scrutiny
place overseas which heightens risks in terms of	over the overseas transactions. Financial reviews and control
fraud and ensuring this is spent in accordance	capacity is monitored through regular reports to the Finance
with the Charity's objectives.	and Audit Advisory Committee.
Global Health Emergencies	BMS adheres to guidance issued by the UK government and
The nature of BMS work means that personnel	has procedures in place to reduce the possibility of spread
are at greater risk of being a conduit for the	through its UK and overseas based personnel, of global
spread of global viruses.	pandemics.
COVID-19 Pandemic	BMS is agile in its response to the pandemic in the UK and in
The pandemic introduces significant uncertainty	the countries where it works.
in connection with core income and donations,	The BMS crisis response team has proactively led on the
and on supporters	response. There is a significant financial risk but reasonable
and on supporters	
	confidence that this can be managed within the charity
	reserves, whilst continuing to actively support partners
	overseas in their work and in their response to the pandemic.
	BMS is using a range of different mediums to actively engage
	with supporters and offer prayer, encouragement and material
	for church services.
The pandemic introduces extra stresses and	BMS is actively promoting access to counselling, and has
demands on mission personnel and UK staff	introduced extra contact, flexibility, resources and activities to
	engender well-being.

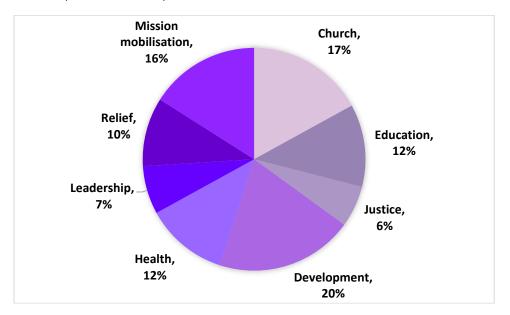
# **Financial review**

# About our finances

# 1. Expenditure

Total expenditure for 2019 was £7.6m (2018 £7.4m) of which £7.2m (2018 £7.1m) was committed to supporting and developing the various charitable objects of BMS; this represents 95% (2018 96%) of total expenditure.

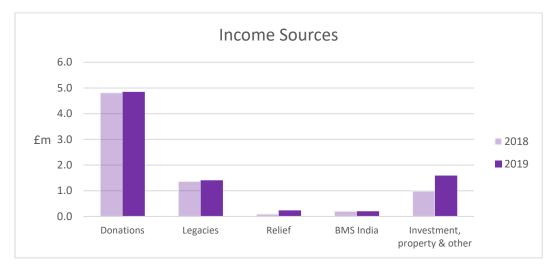
How we spent charitable expenditure of £7.2m

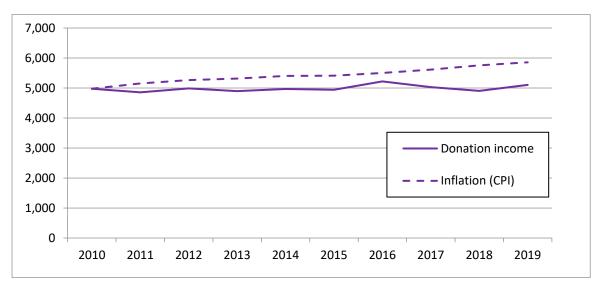


# 2. Income

Total income for the year was £8.1m (2018 £7.4m). Most area of income were similar to 2018. Church regular giving slightly down was compensated for by regular personal giving and strong appeal income. The decline in church giving follows the trend of recent years, and the increases have come from generous responses to our income generation strategy. Giving to the relief fund was higher than last year and £0.4m profit arose from the sale of a house, and this was used towards a pension deficit payment.

BMS India income of £0.2m (2018 £0.2m) was primarily donations from visitors to the Kolkata guesthouse. Profits from the guesthouse are used to support initiatives such as Street Servants in Kolkata.





Ten-year history of donation income (excluding legacies and relief compared with CPI inflation)

# 3. Movement in funds

Taking the charity's funds in total, there was net income of £549k (2018 net expenditure £7k) for the year ended 31 October 2019, a net gain of £525k (2018 £82k) from the appreciation in value of the investment portfolio held by the charity, an actuarial gain on the defined benefit pension schemes of £1.1m (2018 £1.4m) an exchange profit on assets held overseas of £12k (2018 loss £59k) and a loss on exchange of forward contracts of £6k (2018 nil). The overall position was a net increase in total reserves of £2.1m (2018 £1.4m). The balance sheet has strengthened considerably with the pension provision eliminated (2018 liability £1.7m), and long-term investments increasing by £0.5m (2018 £0.1m). The movement in net current assets is less than £0.1m (2018 £0.0m).

# 4. Reserve policy and financial position

# General funds

Trustees have reviewed the reserves policy taking a risk-based approach.

Trustees have examined the requirement for free reserves which are those unrestricted reserves not invested in fixed assets, designated for specific purposes or otherwise committed, but does not take account of the pension reserve. Trustees consider that, given the nature of our work, this should equate to a range of between £3.0m to £3.5m, although with consideration being given to commitments made in the pension deficit repayment schedule. This would be expected to provide the flexibility and resilience to cover any short-term funding crisis or a medium-term recession.

The free reserves at 31 October 2019 were £5.7m with pension commitment to be paid by September 2022 of £0.6m (2018 £5.2m with pension commitments to be paid by September 2019 of £0.7m). Trustees maintain a financial plan to manage the budget so that the target level of reserves is achieved and maintained. Such plans will take into account the long-term funding status of the charity's pension scheme and ensure that deficit payment commitments are met. The current balance exceeds the reserve policy by £2.2 - £2.7m. This had been built up to provide a strong base for investment in the new 2025 strategy to be launched in 2021. In the context of COVID-19, it provides a strong base to sustain BMS through the uncertain financial implications of the pandemic.

The charity also holds funds designated for specific purposes, without restricting or committing the funds legally. At the end of the year, £5.9m (2018 £6.0m) was held in the fixed asset fund, representing the net book value of the charity's unrestricted fixed assets, to indicate that these resources are not available for other purposes. £0.1m (2018 £0.1m) remains for renovations at our centre in Birmingham. The amount set aside in 2018 was spent in 2019 but the fund replenished for further work in 2020. The Mission Innovation Fund has been replenished to £0.1m (2018 £0.1m) to be used during 2020 for innovative mission initiatives not included in our budgeted expenditure. £21k (2018 £10k) of the Carbon Offset Fund has been used to contribute towards environmental projects.

The triennial valuation of the BMS defined benefit pension scheme was carried out as at 31 December 2018. The deficit in 2018 was calculated to be  $\pm 1.5$ m. During 2019 employer contributions of  $\pm 0.7$ m were paid. The fund valuation for accounting purposes at 31 October 2019 was a surplus; however, BMS does not anticipate any likely recovery so the surplus is not recognised (2018 deficit  $\pm 1.7$ m).

# Endowment funds

Included in the balance sheet are endowment funds totalling  $\pm 2.1$ m (2018  $\pm 1.9$ m), the capital element not being available to be spent.

# **Restricted Funds**

Restricted funds are subject to specific conditions imposed by donors. The reserves policy for restricted funds is for sufficient assets to be held to meet the obligations of each fund and this is the case as at 31 October 2019, total £1.5m (2018 £1.7m).

# 5. BMS India

The accounts of BMS India have been consolidated with BMS. BMS India reserves of £0.5m (2018 £0.5m) are included in the restricted fund balance at 31 October 2019.

# 6. Effectiveness of activities to generate funds

BMS is registered with the Fundraising Regulator and is compliant with the Code of Fundraising Practice. We will respond to any future developments in full keeping with both the letter and spirit of any changes.

Direct fundraising costs are a very small proportion of BMS expenditure (less than 5%). A large proportion of our income comes from our carefully managed relationship between BMS and our supporting churches and their members.

BMS is registered with the Fundraising Regulator, the Fundraising Preference Service and is compliant with the Code of Fundraising Practice. We will respond to any future developments in full keeping with both the letter and spirit of any changes. Our commitment to these important voluntary standards ensures that we always champion the privacy and rights of our audience and minimise the risks of any of our fundraising activities resulting in distress, inconvenience or undue pressure, particularly on vulnerable people.

In the last year we received four complaints in response to our fundraising material, out of tens of thousands of mailings. The matter was handled swiftly, carefully and in accordance with our fundraising complaints procedure.

We have received a positive response to our fresh approach to our appeals and have had some success in response to the development of our trusts and foundations income stream. We are thankful to God for his provision, and to our many supporters for their continued generosity.

### 7. Pension Fund arrangements

Following a review of our Pension Fund arrangements for UK staff and overseas mission workers, the defined benefit scheme was closed to future accruals and a defined contribution section of the scheme was opened on 1 November 2010. The defined contribution scheme is managed by Aviva and performance has met agreed targets. The defined benefit section of the scheme has been in deficit. The triennial valuation at 31 December 2018 showed a funding deficit of £1.5m. A revised ten-year recovery plan was agreed with the Pension Trustee and submitted to the Pensions Regulator. A deficit payment of £0.7m was paid in 2019, with a further £0.6m due by September 2022 and £0.4m by September 2025. The Trustees are pleased that the strength of the fund has enabled the Pension Trustee to put in place a long-term investment strategy to divest of equities and arrive at a long-term low dependency target in 15 years' time of gilts + 0.5%.

Trustees support the Pension Trustee in its long-term approach to investment management.

## 8. Factors likely to affect the financial performance going forwards and post year-end events

The major financial concerns that BMS faces are the impact of Brexit on exchange rates and the UK economy to the extent that it affects our supporters, and the impact of COVID-19 on operations.

From the 31 October 2019 to the date of signing these financial statements the outbreak of the pandemic, Covid-19, has had an economic effect across all sectors and BMS has considered the effect on the charity as a going concern, its resilience through this period and the effect on the assets and

funds of the charity. The trustees have reviewed the revised financial plans and agreed a series of activities that should ensure financial stability in these difficult times. The estimated financial effect is mainly seen in an estimated  $\pounds 1.8 - 1.0m$  reduction in income, with a planned  $\pounds 0.4m$  reduction in expenditure to mitigate the effect and ensure that this does not affect our business-critical activities. The investment losses to the end of April 2020 were below  $\pounds 0.1m$  (a decline of 2.4% between October 2019 and April 2020) and are not considered material. The pension fund remains in a surplus position at 31 December 2019 and given this is not recognised in the financial statements as at 31 October 2019, this has limited impact. Legacies receivable of  $\pounds 1.2m$  may also be affected as property prices and stock markets fall. The estimated impact on the balance sheet is a loss of reserves of  $\pounds 0.5 - 0.8m$ 

On review of the financial plans to the end of 31 December 2021, and given the further management actions that are feasible, the trustees have concluded that this will not affect the ability of the charity to continue as a going concern.

# Statement of Trustees' responsibilities

Trustees are responsible for preparing the Strategic Report, the Trustees' Report and the financial statements in accordance with applicable law and regulations.

Company law requires Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and charity and of the incoming resources and application of resources, including the income and expenditure, of the group and charity for that period.

In preparing these financial statements, Trustees are required to:

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

Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Financial statements are published on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the charity's website is the responsibility of Trustees. Trustees' responsibility also extends to the ongoing integrity of the financial statements contained therein.

### Disclosure of information to auditor

The Trustees who held office at the date of approval of this Trustees' Report confirm that, so far as they are each aware, there is no relevant audit information of which the charity's auditor is unaware, and each Trustee has taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

# Auditors

BDO LLP expressed their willingness to continue in office.

The Trustees' Annual Report, including the Strategic Report, was approved by the Trustees on 5 June 2020 and signed on their behalf by:

David Marc Owen Chair of Trustees 5 June 2020

# INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF BMS WORLD MISSION

# Opinion

We have audited the financial statements of BMS World Mission ("the Parent Charitable Company") and its subsidiaries ("the Group") for the year ended 31 October 2019 which comprise the Consolidated and Parent Charity Statement of Financial Activities, the Consolidated and Parent Charity Balance Sheets, the Consolidated and Parent Charity Cash Flow Statement 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 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 Group's and of the Parent Charitable Company's affairs as at 31 October 2019 and of the Group's incoming resources and application of resources and the Parent Charitable Company's incoming resources and application of resources for the period 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and the Parent Charitable Company in accordance with the ethical requirements 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 related 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 Group or the Parent Charitable Company'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 other information comprises the information included in the Annual Report and Financial Statements, other than the financial statements and our auditor's report thereon. The other information comprises: The Trustees' Report, which includes the Directors' Report and the Strategic report. The Trustees are responsible for the other information.

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 Trustees' Report, which includes the Directors' Report and the Strategic report prepared for the purposes of Company Law, for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' Report, which are included in the Trustees' report, have 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 Group and the Parent Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatement in the Strategic report or the Trustee's report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion;

- adequate accounting records have not been kept by the Parent Charitable Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Charitable Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### **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 determines 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 Group's and the Parent 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 Group or the Parent Charitable Company 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 auditor under the Companies Act 2006 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at:

https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

# 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 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 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.

BDO LLP

Heather Wheelhouse (Senior Statutory Auditor) For and on behalf of BDO LLP, statutory auditor London Date 10 June 2020

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

			201	9			201	8	
	Notes	Unrestricted Funds £,000	Restricted Funds £'000	Endowment Funds £'000	Total 2019 £'000	Unrestricted Funds £,000	Restricted Funds £'000	Endowment Funds £'000	Total 2018 £'000
Income from:		1,000	1 000	1 000	1 000	1,000	1 000	1 000	1 000
Donations and legacies	2	5,712	978	-	6,690	5,610	837	-	6,447
Charitable activities		22	-	-	22	20	-	-	20
Investment income	3	207	25	-	232	171	16	-	187
Other income	4	1,032	116	-	1,148	702	65	-	767
Total income		6,973	1,119	-	8,092	6,503	918	-	7,421
Expenditure on:									
Raising funds		333	-	-	333	328	-	-	328
Charitable activities		= .			1.000		-		
Church Education		1,174 613	56 222	-	1,230 835	1,336 671	9 234	-	1,345 905
Justice		455	7	-	462	481	234	-	490 490
Development		1,315	, 114	-	1,429	1,348	, 127	-	1,475
Health		418	453	-	, 871	551	343	-	894
Leadership		534	2	-	536	604	2	-	606
Relief		339	370	-	709	171	192	-	363
Mission mobilisation		1,138	-	-	1,138	1,022	-	-	1,022
		5,986	1,224	-	7,210	6,184	916	-	7,100
Total expenditure	5	6,319	1,224	-	7,543	6,512	916	-	7,428
Net income / (expenditure) before movement on investments		654	(105)	-	549	(9)	2	-	(7)
Net gains on investments		342	13	176	531	54	10	18	82
Net income		996	(92)	176	1,080	45	12	18	75
Transfers between funds	9	45	(45)	-	-	237	(245)	8	-
Other recognised gains/(losses):		(6)	-	-	(6)				
Actuarial gains on defined		1,083			1,083	1,368			1,368
pension scheme		1,005	-	-			-	-	
Exchange differences		-	12	-	12	-	(59)	-	(59)
Net movement in funds		2,118	(125)	176	2,169	1,650	(292)	26	1,384
Reconciliation of funds:									
Total funds brought forward		9,660	1,654	1,972	13,286	8,010	1,946	1,946	11,902
Total funds carried forward		11,778	1,529	2,148	15,455	9,660	1,654	1,972	13,286

The result for the year for Companies Act 2006 purposes is represented by the net movement in funds in the consolidated statement of financial activities. There are no recognised gains or losses in the current or preceding year other than those shown in the consolidated statement of financial activities above. All amounts derive from continuing operations.

There is no material difference between the net expenditure for the financial year stated above and their historical cost equivalents.

The notes on pages 35 to 54 also form part of these financial statements



# BMS PARENT CHARITY STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 OCTOBER 2019

		2019					20 <sup>-</sup>	18	
	Notes	Unrestricted Funds £,000	Restricted Funds £'000	Endowment Funds £'000	Total 2019 £'000	Unrestricted Funds £,000	Restricted Funds £'000	Endowment Funds £'000	Total 2018 £'000
Income from:		5 740	700		( 544	F (40	(20		( 0.40
Donations and legacies	2	5,712	799	-	6,511	5,610		-	6,240
Charitable activities	2	22 207	- 13	-	22	20 171		-	20 175
Investment income Other income	3 4	1,032	13	-	220 1,142	702	4 53	-	755
Other income	4	1,032	110	-	1,142	702	53	-	755
Total income		6,973	922	-	7,895	6,503	687	-	7,190
Even and its one and									
Expenditure on:		222			222	220			220
Raising funds		333	-	-	333	328	-	-	328
Charitable activities									
Church		1,174	56	-	1,230	1,336	9	-	1,345
Education		613	40	-	653	671	52	-	723
Justice		455	7	-	462	481	9	-	490
Development		1,315	114	-	1,429	1,348		-	1,475
Health		418	453	-	871	551	343	-	894
Leadership		534	2	-	536	604	2	-	606
Relief		339	370	-	709	171	192		363
Mission mobilisation		1,138	-	-	1,138	1,022		-	1,022
		5,986	1,042	-	7,028	6,184		-	6,918
Total expenditure	5	6,319	1,042	-	7,361	6,512	734	-	7,246
Net income / (expenditure) before movement on investments		654	(120)	-	534	(9)	(47)	-	(56)
Net gains on investments		342	13	176	531	54	10	18	82
Net income		996	(107)	176	1,065	45	(37)	18	26
Transfers between funds	9	45	(45)	-	-	237	(245)	8	-
Other recognised gains/(losses):		(6)	-	-	(6)	-	-	-	-
Actuarial gains on defined pension scheme		1,083	-	-	1,083	1,368	-	-	1,368
Net movement in funds		2,118	(152)	176	2,142	1,650	(282)	26	1,394
Reconciliation of funds:									
Total funds brought forward		9,660	1,153	1,972	12,785	8,010	1,435	1,946	11,391
Total funds carried forward		11,778	1,001	2,148	14,927	9,660	1,153	1,972	12,785

The notes on pages **35 to 54** also form part of these financial statements

		BMS Gr	oup		
		2019	2018	2019	2018
	Notes	£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets Investments	11 12	6,594 6,056	6,731 5,525	6,263 6,056	6,396 5,525
investments	12	0,030	5,525	0,000	5,525
Total fixed assets		12,650	12,256	12,319	11,921
	_				
Current assets					
Stock		5	11	5	11
Debtors	13	2,393	2,037	2,363	2,017
Investments		210	175	19	19
Cash at bank and in hand		981	1,235	955	1,184
Total current assets		3,589	3,458	3,342	3,231
Liabilities					
Creditors: amounts					
falling due within one year	14	(784)	(724)	(734)	(663)
Net current assets excluding pension liability		2,805	2,734	2,608	2,568
Defined benefit pension scheme liability	15	-	(1,703)	-	(1,703)
Total net assets	-	15,455	13,287	14,927	12,786
The funds of the charity	9				
Endowment funds		2,148	1,972	2,148	1,972
Restricted income funds		1,529	1,654	1,001	1,153
Unrestricted funds					
Designated funds		6,120	6,204	6,120	6,204
General funds (free reserves)		5,658	5,160	5,658	5,160
Total funds excluding pension reserve	-	15,455	14,990	14,927	14,489
Pension reserve		-	(1,703)		(1,703)
Total funds	_	15,455	13,287	14,927	12,786

The financial statements on pages 31 to 54 were approved by the Trustees on 5 June 2020 and signed on their behalf by:Chair of TrusteesDate:5 June 2020

The notes on pages 35 to 54 also form part of these financial statements.

Date.

		BMS Group		BMS Worl	d Mission
		2019 £'000	2018 £'000	2019 £'000	2018 £'000
Cash flow from operating activities:					
Net cash (used in) operating activities	(a)	(696)	(676)	(687)	(744)
Cash flows from investing activities: Dividends, interest and other income from					
investments		232	187	220	175
Proceeds from sale of tangible fixed assets		492	339	492	339
Payments to acquire tangible fixed assets		(258)	(112)	(253)	(105)
Proceeds from sales of investments		-	4,730	-	4,730
Purchase of investments		-	(4,992)	-	(4,992)
Net cash provided by investing activities	_	466	152	459	147
Change in cash and cash equivalents in the year		(231)	(524)	(229)	(597)
Cash and cash equivalents at the beginning of the year		1,410	1,993	1,203	1,800
Change in cash and cash equivalents due to exchange rate movements		12	(59)	-	-
Cash and cash equivalents at the end of the year		1,191	1,410	974	1,203
(a)Reconciliation of net income to net cash flow from operating activities					
Net income for the reporting period (as per the Statement of Financial Activities)		1,080	75	1,065	26
Depreciation		306	280	289	262
(Gains) on investments		(531)	(82)	(531)	(82)
Investment income		(232)	(187)	(220)	(175)
(Profit) from sale of fixed assets		(395)	(200)	(395)	(200)
(Loss) on Forward Exchange Contracts		(6)	-	(6)	-
Currency re-translation on fixed assets		(8)	34	-	-
Decrease in stocks		6	2	6	2
(Increase)in debtors		(356)	(347)	(346)	(350)
Increase in creditors		60	53	71	77
(Decrease) in pension fund asset		(620)	(304)	(620)	(304)
Net cash (used in) by operating activities		(696)	(676)	(687)	(744)
Analysis of changes in net funds					
Cash at bank and in hand		981	1,235	955	1,184
Short term deposits		210	175	19	19
		1,191	1,410	974	1,203

### 1 Accounting policies

### a Basis of preparation

The financial statements have been prepared under the historical cost convention as modified by the inclusion of investments at market value and in accordance with applicable accounting standards. In preparing the financial statements the charity has complied with the requirements of the Companies Act 2006 and the Statement of Recommended Practice 'Accounting and Reporting by Charities applicable to charities preparing accounts in accordance with FRS102'.

The charity obtained approval to convert to a company limited by guarantee ("CLG") on 4 July 2017. Legally, the conversion process resulted in the formation of a new entity (The CLG, charity number 1174364) on 4 July 2017, and the transfer of the existing activities, assets and liabilities on 1 November 2017. The Charity Commission confirmed that the unincorporated charity (previously charity number 233782) and the CLG are linked charities. The Commission directs that as of 29 October 2018 the charity called The Baptist Missionary Society ('the linked charity') shall be treated as forming part of the charity called The Baptist Missionary Society ('the reporting charity') for the purposes of Part 4 (registration) and Part 8 (accounting) of the Charities Act 2011.

The CLG became the sole trustee of the unincorporated charity from 1 November 2017.

The CLG changed the accounting reference date to 31 October. As a result the comparative figures in the financial statements cover a 16 month period for the CLG from the date on incorporation to 31 October 2018. The CLG did not perform any activity nor have any transactions during the 4 month period to 31 October 2017, hence the reporting periods are comparable with 12 months of activity and transaction in each period. The comparative figures are labelled as 2018.

The Statement of Financial Activities (SOFA) and Group Balance Sheet consolidate the financial statements of the charity and its wholly-controlled subsidiary, Baptist Missionary Society Trust, in India. The financial year end for the subsidiary is 31 March 2019 and its results are consolidated on a line-by-line basis.

The consolidated financial statements have been prepared in accordance with the group reconstruction principles of FRS102 using the merger accounting method for the combination of the group. Accordingly, the group's financial statements for 2018 have been prepared as if the CLG had always been the parent company of the group.

No separate financial statements have been prepared for the unincorporated charity due to a uniting direction from the Charity Commission dated 29 October 2018.

### b Statutory information

BMS is a charitable company limited by guarantee and is incorporated in England and Wales. The registered office address is 129 Broadway, Didcot OX11 8XD

### c Assessment of going concern

The trustees reviewed the charity's estimates in March 2020 and were content that these plans were affordable and that the accounts should be prepared on a going concern basis.

However, the impact of the recent Covid-19 outbreak and its financial effect has meant that the executive team and trustees have been reviewing financial plans for the next 12 months to ensure the charity can continue its business-critical activities and remain a going concern.

The Government's decisions on social distancing is expected to have an effect on BMS' financial situation and an estimated  $\pm 0.8 - 1.0$ m reduction in total income. This is across many areas of income, but in particular from regular church donations, to a lesser extent from individual donations and also from conference and hospitality income. There has also been a fall in the value of BMS' investments, with a loss of around  $\pm 0.1$ m by the end of April 2020. Accounts receivable includes around  $\pm 1$ m of legacy income that is likely to come from the proceeds of property and investments and may therefore be subject to losses as a result of market conditions. In addition to the loss of 2020 income, it is anticipated that receipt of up to  $\pm 0.9$ m of accrued legacy income may be delayed until 2021 as a result of delay in the administration of wills.

The Trustees have therefore decided to carry out some cost reductions to mitigate this impact with further cost saving provisions which can be implemented should it be required. This has produced savings of £0.4m in 2020 and includes the management of business-critical work workloads to enable furlough of staff, and senior team voluntary salary reductions.

The length of the Covid-19 outbreak and the measures taken by the Government to contain this are not known and outside of our control but we have put processes in place to manage cash flow on a weekly and monthly basis and review financial stability as matters progress.

We have performed a stress test which assumes that there is no core income from 1 May 2020 as an extreme worst case scenario and the costs remain at the same level as forecast. What the cash flow model shows is that liquidity would break in March 2021 (cash shortfall of £176k) with £3.9m needed for the remainder of the year to 31 December 2021. We note that this cash shortfall is before taking into account implementing cost savings or putting an external loan facility in place, the combination of which would see the charity through and past the 12 months period from sign off.

Given the strength of the balance sheet and availability and liquidity of unrestricted investments, totaling around £4.2m at 30 April 2020, the trustees believe that, while uncertainty exists, this does not pose a material uncertainty that would cast doubt on the charity's ability to continue as a going concern. The trustees, therefore, consider it appropriate for the accounts to be prepared on a going concern basis.

The potential effect on the balance sheet for 2020 is explained further in Note 17.

### d Accounting estimates and judgments

Preparation of the financial statements in accordance with FRS102 requires the Trustees to make certain judgements and estimates. The items below are considered to be the most important in understanding the financial statements:

BMS has no liability to its defined benefit pension scheme. This involves actuarial estimates which are disclosed in note 15.

BMS has accrued £1,633k of legacy income based on the policy set out in note f below.

### e Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds, which have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donors or which have been raised by the charity for particular purposes. The aim and use of each restricted fund is set out in the notes to the financial statements.

Endowment funds are those where donations are required to be retained as capital in accordance with the donors' wishes – permanent or expendable according to the nature of the restriction.

Investment income and gains are allocated to the appropriate fund.

### f Income

All income, including donations, legacies and investment income, is recognised where there is entitlement, probability of receipt and the amount can be measured with sufficient reliability.

Recognition of legacy income is dependent on the type of legacy, with pecuniary legacies recognised when probate has been granted. Residuary legacies are recognised at a discounted rate when they are measurable, probate has been granted and entitlement is clear.

No value is included where the legacy is subject to a life interest held by another party.

Income from charitable activities includes amounts relating to the sale of overseas properties and other charitable income streams. Charitable activities income is recognised on a receivable basis.

BMS 'Action Teams' is a gap-year student programme that runs from September to June. The income received from the students that was unspent at the year-end is treated as deferred income.

### g Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Charitable activities include expenditure associated with mission mobilisation and the seven strategic ministries and include both the activities, direct costs and support costs relating to these. Costs which cannot be directly attributed have been allocated on a basis consistent with the use of the resources and staff time. Expenditure on raising funds are those costs incurred in seeking voluntary contributions and in the management of the charity's investments. They do not include the costs of disseminating information in support of BMS' charitable activities. Governance costs are the costs associated with the governance arrangements of the charity and include the cost of the annual audit of the accounts, the expenses of Trustee meetings and the costs of staff involved in supporting these activities. Grants payable are payments made to third parties in the furtherance of BMS charitable objects and are accounted for when the recipient has a reasonable expectation that they will receive a grant.

### h Tangible fixed assets and depreciation

Tangible fixed assets costing more than £1,000 (individually or as part of a related project) are capitalised and included at cost including any incidental expenses of acquisition.

Depreciation is calculated to write down the original costs of the fixed assets over their estimated useful lives as follows:

Land	No depreciation
Buildings	over 50 years
Computer (included in furniture and equipment)	over 3 years
Furniture and equipment	over 3 - 5 years
Motor vehicles used overseas	written off in year of purchase
Solar panels and property modifications	over 15 years

For BMS India, depreciation has been applied at the rates specified by the India Income Tax Act 1961, most specifically for buildings at 5%.

### i Freehold land and buildings

Land and buildings are shown at original historical cost or probate value.

### j Investments

Investments are stated at market value at the Balance Sheet date. The Statement of Financial Activities includes the net gains and losses arising on revaluations and disposals throughout the year. Current asset investments are short-term, highly liquid investments that are readily convertible to known amounts of cash.

### k Joint arrangement

Through a deed of trust, the charity is in a joint arrangement with the Baptist Union of Great Britain for the management of Baptist House, its headquarters building. Under the terms of this arrangement all responsibility for the letting and operation of the building was transferred to Baptist House Limited. The arrangement is governed by Articles of Association for Baptist House Limited and a Declaration of Trust with the Baptist Union of Great Britain.

The charity accounts for Baptist House Limited by recognising its share of the relevant assets and liabilities, income and expenditure arising from this arrangement in the Balance Sheet and Statement of Financial Activities respectively. Transactions between the charity and the joint arrangement are eliminated on incorporating these amounts into the accounts of the charity.

### l Stock

Stock is valued at the lower of cost and estimated net realisable value.

#### m Pensions

The charity's defined benefit scheme is funded, with the assets of the scheme held separately from those of the charity, in separate Trustee-administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency and term to the scheme's liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance Sheet date.

Where appropriate the resulting defined benefit liability is presented separately after other net assets on the face of the Balance Sheet.

The current service cost, past service costs and any gains and losses on settlements and curtailments are charged in resources expended in the Statement of Financial Activities. The interest costs and the expected return on assets are shown as a net amount of other finance costs or credits and included in resources expended. Actuarial gains and losses are recognised within the 'gains and losses' categories of the Statement of Financial Activities as 'actuarial gains and losses on defined benefit pension scheme'.

Contributions to the charity's defined contribution pension scheme are charged to the Statement of Financial Activities in the year in which they become payable.

### n Foreign currencies

Assets and liabilities held in foreign currencies are translated into sterling at the rates of exchange ruling at the end of the financial year and the results of foreign operations are translated at the average rate of exchange for the year.

Differences on exchange arising from retranslation of foreign currency bank balances and other assets are reported under income and expenditure in the Consolidated Statement of Financial Activities.

All other foreign exchange differences are taken to the Statements of Financial Activities in the period in which they arise.

### o Hedge Accounting

The charity has entered into a number of forward contracts for the purchase of Euros and US dollars in order to manage its exchange rate exposure. These contracts are measured at fair value at each reporting date.

### p Financial instruments

Financial assets and financial liabilities are recognised when BMS becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially measured at transaction price (including transaction costs). Financial instruments are initially recognised at transaction value and subsequently measured at their settlement value. Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Creditors and provisions are recognised where Cyan has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

2 Donations and legacies				
-	Unrestricted	Restricted	Total	
	Funds	Funds	2019	2018
	£,000	£'000	£'000	£'000
Donations	4,431	674	5,105	4,904
Legacies	1,281	125	1,406	1,336
BMS India	-	179	179	207
	5,712	978	6,690	6,447
3 Investment income				
-	G	roup	Charit	Y
	2019	. 2018	2019	2018
	£'000	£'000	£'000	£'000
UK investment dividends	65	90	65	90
Interest on cash deposits	157	93	145	81
Bank and other interest	10	4	10	4
	232	187	220	175
4 Other income				
	Gr	oup	Charit	v
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
Income from property	54	116	54	106
Profit on sale of fixed assets	395	200	395	200
Grants	19	57	19	57
Sundry income	680	394	674	392
	1,148	767	1,142	755
	,	-	•	

## 5 Analysis of expenditure Group

	Direct costs	Grant funding of activities	Support costs	Total 2019	2018
	£'000	£'000	£'000	£'000	£'000
Expenditure on raising funds: Donations and legacies	231	-	102	333	328
Charitable activities					
Church	643	220	367	1,230	1,345
Education	494	146	195	835	905
Justice	240	81	141	462	490
Development	754	242	433	1,429	1,475
Health	424	182	265	871	894
Leadership	217	155	164	536	606
Relief	137	355	217	709	363
Mission mobilisation	1,138	-	-	1,138	1,022
-	4,278	1,381	1,884	7,543	7,428

### Analysis of expenditure Charity

Church Education Justice Development Health	643 312 240 754 424	220 146 81 242 182	367 195 141 433 265	1,230 653 462 1,429 871	1,345 723 490 1,475 894
Leadership Relief Mission mobilisation	217 137 1,138	155 355 -	164 217 -	536 709 1,138	606 363 1,022
-	4,096	1,381	1,884	7,361	7,246

### 6 Grants Payable

	Asia	Europe	Middle East & North Africa	South America	Sub-Saharan Africa	Total 2019
	£'000	£'000	£'000	£'000	£'000	£'000
Charitable						
activities						
Church	117	50	46	5	2	220
Education	15	29	84	-	18	146
Justice	15	1	4	-	61	81
Development	121	58	-	10	53	242
Health	59	-	10	-	113	182
Leadership	42	15	79	10	9	155
Relief	263	42	-	1	49	355
Total	632	195	223	26	305	1,381

Grants totalling  $\pm 30,000$  and above were made to the following partners during the year.

Country	Partner	£'000
Chad	Guinebor 2 Hospital	84
Lebanon	LSESD	149
Albania	Tek Ura	58
Nepal	NBCC	76
Sri Lanka	LEADS	39
Uganda	UCLF	56
UK	Health, Hope, Action	39
UK	Cyan International	35
Mozambique	CBM	33
India	Big Life Ministries	52
Netherlands	EBF	60
Various	Other partners <£30,000	700
Total Grants		1,381

# 7 Governance

COSTS		
	2019	2018
	£'000	£'000
Audit fee	37	36
Audit Fee Overun	-	33
Board of Trustees	21	14
Other governance costs	1	9
	59	92

### 8 Subsidiary

BMS World Mission has a wholly controlled subsidiary, Baptist Missionary Society Trust, registered in West Bengal, India. The trust carries out mission activities from its base in Kolkata. The charity appoints the Trustees of BMS India and on the winding up or dissolution of the Trust, its assets pass to the charity. Since 19 March 2015, financial activity of BMS India has been consolidated into that of the charity. Accounts are made up to 31 March each year and copies may be obtained from the BMS registered office.

Total incoming resources Total expenditure <b>Surplus for the year</b>	2019 £'000 197 (182) 15	<b>2018</b> £'000 231 (241) (10)
Total assets	578	562
Total liabilities	(50)	(61)
<b>Funds</b>	<b>528</b>	<b>501</b>

### 9 Statement of funds

	Balance at 1.11.18	Incoming resources	Resources expended	Realised and unrealised gains	Transfers	Balance at 31.10.19
	£'000	£'000	£'000	£'000	£'000	£'000
Endowment						
funds						
Cyril Edwards Trust	686	-	-	68	-	754
Jane Mursell						
Trust	740	-	-	73	-	813
Joy Bushon	389	_	-	19	_	408
Sircar Trust	307					400
Other endowment	157		-	16	-	173
funds	157	-	-	10	-	175
	1,972	-	-	176	-	2,148

	Balance at 1.11.17	Incoming resources	Resources expended	Realised and unrealised gains	Transfers	Balance at 31.10.18
	£'000	£'000	£'000	£'000	£'000	£'000
Endowment funds						
Cyril Edwards Trust	678	-	-	8	-	686
Jane Mursell Trust	731	-	-	9	-	740
Joy Bushon Sircar Trust Other	383	-	-	(2)	8	389
endowment funds	154	-	-	3	-	157
_	1,946	-	-	18	8	1,972

The income of the Cyril Edwards Trust is available to be used in any field where the charity operates.

The income of the Jane Mursell Trust is available to be used for women's work within the charity.

The income of the Joy Bushon Sircar Trust is to be used to benefit specific educational and church work in the Barisal area of Bangladesh. The Trust is invested in US dollar securities which have been converted into sterling at the rate ruling at 31 October 2019.

	Balance at 1.11.18	Incoming resources	Resources expended	Realised and unrealised gains	Transfers	Balance at 31.10.19
	£'000	£'000	£'000	£'000	£'000	£'000
Restricted funds						
Emergency relief fund	508	241	(370)	-	(45)	334
Health fund	-	399	(453)	-	89	35
Restricted fixed assets reserve	415	-	-	-	-	415
Restricted property funds	141	45	-	-	-	186
India	501	197	(182)	12	-	528
Other restricted funds	89	250	(219)	-	(89)	31
-	1,654	1,132	(1,224)	12	(45)	1,529
	Balance at 1.11.17	Incoming resources	Resources expended	Realised and unrealised gains	Transfers	Balance at 31.10.18
	£'000	£'000	£'000	£'000	£'000	£'000
Restricted funds						
Emergency relief fund	561					
Health fund	501	168	(192)	-	(29)	508
	-	168 343	(192) (343)	-	(29)	508
Restricted fixed assets reserve	631			-	(29) - (216)	508 - 415
Restricted fixed assets reserve Restricted	-			- - - 10	-	-
Restricted fixed assets reserve Restricted property funds India	- 631	343 -		- - - 10 (59)	-	- 415
Restricted fixed assets reserve Restricted property funds	- 631 128	343 - 3	(343) - -		-	- 415 141

The emergency relief fund represents funds received for relief and disaster response around the world primarily where the charity is involved.

The restricted fixed assets reserve represents the value of properties which have been left to the charity with restricted use. Restricted property funds are held following the sale of property left to the charity with restricted use. Transfers to or from the funds reflect property transactions and depreciation.

The India fund represents the net value of assets owned in India by BMS India.

The transfer of £89k between Other restricted funds and the Health fund related to a restricted legacy that was used to fund Health work in accordance with the legacy restrictions.

	Balance at 1.11.18	Incoming resources	Resources expended	Realised and unrealised gains	Transfers	Balance at 31.10.19
	£'000	£'000	£'000	£'000	£'000	£'000
Unrestricted funds						
Pension reserve	(1,703)	-	(237)	1,083	857	-
<b>Designated</b> Fixed assets reserve Baptist House	5,965	-	-	-	(76)	5,889
Ltd Pension	-	-	-	-	-	-
Mission Innovation fund	100	-	(52)	-	52	100
Major repairs fund	105	-	-	-	-	105
Other designated funds	34	-	(21)	-	13	26
	6,204	-	(73)	-	(11)	6,120
<b>General funds</b> Free reserves	5,160	6,973	(6,009)	335	(801)	5,658
_	9,661	6,973	(6,319)	1,418	45	11,778
	Balance at 1.11.17 £'000	Incoming resources £'000	Resources expended £'000	Realised and unrealised gains £'000	Transfers £'000	Balance at 31.10.18 £'000
Unrestricted funds	1 000	1 000	1 000	1 000	1 000	1 000
Pension reserve	(3,376)	-	(296)	1,368	601	(1,703)
<b>Designated</b> Fixed assets						
reserve Paptiet House	6,109	-	-	-	(144)	5,965
reserve Baptist House Ltd Pension Scheme	6,109 161	-	-	-	(144) (161)	5,965 -
Baptist House Ltd Pension		-	- - (98)	-		5,965 - 100

	8,010	6,503	(6,512)	1,422	238	9,661
General funds Free reserves	4,846	6,503	(6,108)	54	(135)	5,160
	6,540	-	(108)	-	(228)	6,204
Other designated funds	44	-	(10)	-	-	34
fund	105	_	_	_		105

The fixed assets reserve represents the amount set aside equivalent to the net book value of property and equipment used by the charity and purchased from unrestricted funds. The transfer from the fixed assets reserve is to the general fund to bring the reserve into line with the value of the fixed assets at the year end.

The designated fund for Baptist House Ltd Pension Scheme is to meet the costs of settling the charity's onehalf share of the deficit of that scheme. It is anticipated that the payment will be made in the next eighteen months.

The Mission Innovation fund is used for innovative mission projects and will be used over the next two years. The major repairs fund is to meet the costs of large repair projects and it is anticipated that this will be used in the next two years.

### **10 Employees and Trustee Directors**

The costs of mission personnel and other employees of the charity during the year were as follows:

	2019	2018
	£'000	£'000
Allowances and salaries	2,680	2,654
Pension contributions National	359	381
Insurance contributions	145	154
Relocation payments	8	6
	3,192	3,195
Average number of employees		
Mission personnel	86	92
Other employees	55	55
	141	147

Included in the above employee costs are redundancy costs of £Nil (2017/18 £6,096). Redundancy costs are provided for when they are estimable and settlement is probable within 12 months. At the balance sheet date there were no redundancy costs awaiting payment.

### **Employees and trustees**

The number of employees whose emoluments, excluding employer's pension contributions, amounted to over £60,000 in the year was as follows:

	<b>2019</b> Number	<b>2018</b> Number
£60,001 - £70,000	1	1

The total amount of employee benefits, including employer's pension contributions, received by key management personnel for their services during the year was £399,306 (2017/18: £391,574).

### Trustees

No emoluments were paid to the Trustee Directors, with the exception of the General Director, Dr Kang-San Tan, who was employed by the charity and was remunerated on the same basis as other employees but received no remuneration for his duties as a Trustee Director. The constitution makes particular provision for the General Director to be an employee of the charity and the Charity Commission has given formal assent to this. Dr Tan's emoluments as General Director were £64,416 (2017/18 £61,829). Dr Tan was also reimbursed for all necessary expenses incurred in carrying out his duties as an employee of the charity, a total of £7,723 (2017/18 – £7,592). Dr Tan is a member of the charity's pension scheme and contributions totalling £6,422 (2017/8 – £6,164) were paid by the charity during the year.

During the year a total of £5,434(2017/18: £5,188) was reimbursed to 12 Trustee Directors (2018: 13) in respect of committee expenses. By the nature of our work, several Trustee Directors have close family members who have worked overseas with us during the year. Where they were employed by us or worked as volunteers, they were remunerated or received reimbursement of expenses on the same basis as other employees or volunteers. The remuneration and reimbursement amounted to £0 (2017/18: £0). During the year there were three Trustee Directors who have been previous employees of the charity and have rights within the BMS Pension Scheme as deferred pensioners.

### 11a Group Tangible Assets

	Land and buildings £'000	Furniture and equipment £'000	Motor vehicles £'000	Total £'000
<b>Cost</b> 01 November	8,579	677	76	9,332
2018 Transfer Additions	9 46	(9) 198	- 14	- 258
Currency re- translation	6	1	1	8
Disposals	(121)	-	-	(121)
31 October 2019	8,519	867	91	9,477
<i>Depreciation</i> 01 November 2018	2,116	425	60	2,601
Charge for year Disposals	192 (24)	98 -	16 -	306 (24)
31 October 2019	2,284	523	76	2,883
Net book value				
31 October 2019	6,235	344	15	6,594
31 October 2018	6,463	252	16	6,731

### 11b Charity Tangible Assets

	Land and buildings £'000	Furniture and equipment £'000	Motor vehicles £'000	Total £'000
Cost	1 000	1 000	1 000	1 000
01 November 2018	8,279	609	54	8,942
Transfer	9	(9)	-	-
Additions	46	193	14	253
Disposals	(121)	-	-	(121)
31 October 2019	8,213	793	68	9,074
<b>Depreciation</b> 01 November				
2018	2,088	404	54	2,546
Charge for year	184	91	14	289
Disposals	(24)	-	-	(24)
31 October 2019	2,248	495	68	2,811
Net book value				
31 October 2019	5,965	298	-	6,263
31 October 2018	6,191	205	-	6,396

Furniture and Equipment contains computers, furniture and equipment, motor vehicles used overseas, solar panels and property improvements.

### 12 Investments held by group (Charity Only)

	2019	2018
Analysis of movements in the year	£'000	£'000
Market value at 1 November	5,525	5,443
Add acquisitions at cost	-	4,992
Less proceeds of disposal	-	(4,992)
Net gains for the year	531	82
	6,056	5,525
Market value at 31 October	6,056	5,525
Analysis of investments held at 31 October		
<b>Analysis of investments held at 31 October</b> Pooled Fund	5,648	5,136
5	5,648	5,136
Pooled Fund	<u>5,648</u> 408	<u>5,136</u> 389

The investment portfolio is held in the COIF Charities Ethical Investment Fund, managed by CCLA.

### 13 Debtors

	Group		Charit	ty .
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
Trade debtors	117	103	117	103
Other debtors	465	150	435	130
Prepayments	125	155	125	155
Accrued income	1,686	1,629	1,686	1,629
_	2,393	2,037	2,363	2,017

During the financial year the charity entered into a number of forward contracts for the purchase of Euros and US dollars in order to manage its exchange rate exposure. These contracts are measured at fair value at each reporting date .Other debtors includes foreign currency forward exchange contracts valued at at fair value of £237k (2018 NIL).

### 14 Creditors: amounts falling due within one year

	Group		Charit	у
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Loans	2	2	2	2
PAYE and Social Security	38	61	38	61
Trade creditors	197	145	197	145
Other creditors	342	107	292	46
Accruals	167	224	167	224
Grants payable	7	26	7	26
Deferred income	31	159	31	159
	784	724	734	663

During the financial year the charity entered into a number of forward contracts for the purchase of Euros and US dollars in order to manage its exchange rate exposure. These contracts are measured at fair value at each reporting date .Other creditors includes foreign currency forward exchange contracts valued at at fair value of £237k (2018 NIL).

### 14a Deferred income

Opening balance	159	71	159	71
Income	45	159	45	159
Expenditure	(173)	(71)	(173)	(71)
Closing balance	31	159	31	159

### 15 a Defined benefit arrangements

Until 31 October 2010 the parent charity operated a final salary defined benefit scheme for its permanent employees, which was not contracted out of the State Second Pension. The assets of the scheme are held separately from those of the charity and are invested by the scheme's Trustee, the Baptist Missionary Society Pension Trust Limited, through delegation, within agreed parameters, to their investment managers. The contributions are determined on the advice of a qualified actuary on the basis of a triennial valuation, the most recent completed valuation being as at 31 December 2018.

The Scheme exposes the Company to actuarial risks such as; market (investment) risk, interest rate risk, inflation risk currency risk and longevity risk. The Scheme does not expose the Company to any unusual Scheme-specific or Company-specific risks.

A full valuation of the liabilities has not been carried out as at 31 October 2019. The liabilities of the Scheme have been calculated by updating the results of the actuarial valuation as at 31 December 2018 to allow for the passage of time, benefits paid out and changes in actuarial assumptions over the period from 31 December 2018 to 31 October 2019.

The results of the actuarial valuation as at 31 December 2018 included an agreed recovery plan under which BMS pays deficit contributions of £579,000 by September 2022 and £359,000 by September 2025. BMS will continue to pay £150,000 a year towards the expected cost of the expenses of running the Scheme.The liabilities of the Scheme are based on the current value of expected benefit payment cashflows to members approximately over the next 60 years. The average duration of the liabilities is approximately 18 years.

The Trustees' investment strategy includes investing in liability driven investment, the value of which will increase with decreases in interest rates and will move with inflation expectations. The Scheme has a long-term investment plan to de-risk its investments as the funding position improves. This plan is in process of being updated and at the balance sheet date all equity investments had been sold and the proceeds were held in cash in advance of reinvesting.

Assumptions As a	at 2019	As at 2018
Discount rate	1.90%	2.80%
Inflation assumption (RPI)	3.10%	3.50%
Inflation assumption (CPI)	2.10%	2.50%
Rate of increase in salaries	2.10%	2.60%
Pension increases:		
Pre 6 April 2006 benefits (RPI max 5%)	3.05%	3.35%
Pre 6 April 2006 benefits (CPI max 5%)	2.10%	2.50%
Pre 6 April 2006 benefits (greater of RPI/CPI	3.10%	3.45%
max 5%) Pre 6 April 2006 benefits (greater of RPI/CPI max 2.5%)	2.20%	2.30%

Assumed life expectancies on retirement at age 65 are:	As at 2019	As at 2018
Males retiring immediately	23.0	23.1
Females retiring immediately	24.4	24.1
Males retiring in 20 years time	24.3	24.4
Females retiring in 20 years time	25.7	25.6
The assets in the scheme were:		
	2019	2018
	£'000	£'000
Equity Bonds	۔ 11,511	13,335 10,948
Property and infrastructure	1,631	1,704
Liability driven investment	8,455	6,509
Cash and Net current assets	15454	48
Fair value of scheme assets	37,051	32,544
	£'000	£'000
The actual return on assets over the period was:	516	895
Present value of funded obligations Fair value of scheme assets	(36,535)	(34,247)
	37,051	32,544
Surplus / (deficit) in funded scheme	516	(1,703)
Irrecoverable surplus	516	-
Net liability in balance sheet	-	1,703

Reconciliation of opening and closing balances of the present value of the defined benefit obligation

Benefit obligation at beginning of year Interest cost	<b>2019</b> <b>£'000</b> <b>34,247</b> 945	2018 £'000 35,630 948
Actuarial losses /(gains)	2,350	(1,304)
Benefits paid Benefit obligation at end of year	(1,007) <b>36,535</b>	(1,027) <b>34,247</b>

Reconciliation of opening and closing balances of the fair value of scheme assets

	2019	2018
	£'000	£'000
Fair value of scheme assets at beginning of year	32,544	32,395
Interest income on scheme assets	906	865
Return on assets, excluding interest income	3,949	30
Contributions by employers	857	490
Benefits paid	(1,007)	(1,027)
Scheme administration cost	(198)	(209)
Fair value of scheme assets at end of year	37,051	32,544

20192018f'000f'000Service cost - administrative cost198Net interest on the net defined benefit liability39Re-measurements of the net defined benefit liability (asset) to be shown in SOFA:20192018f'000f'000Actuarial losses /(gains) on the liabilities2,350(1,304)Return on assets, excluding interest income(3,949)interest charge516Total re-measurement of the net defined benefit (asset)shown in the Statement of Financial Activities as 'Actuarialgains on defined pension scheme'Estimation of next year's income statement	The amounts recognised in the statement of financial activitie	es:	
Service cost - administrative cost198209Net interest on the net defined benefit liability3983Total expense237292Re-measurements of the net defined benefit liability (asset) to be shown in SOFA:20192018f'000f'000f'000f'000Actuarial losses /(gains) on the liabilities2,350(1,304)Return on assets, excluding interest income(3,949)(30)Change in amount of surplus not recoverable, excluding interest charge516-Total re-measurement of the net defined benefit (asset)516-shown in the Statement of Financial Activities as 'Actuarial gains on defined pension scheme'(1,083)(1,334)Estimation of next year's income statement516-	-	2019	2018
Net interest on the net defined benefit liability3983Total expense237292Re-measurements of the net defined benefit liability (asset) to be shown in SOFA:20192018f'000f'000f'000Actuarial losses /(gains) on the liabilities2,350(1,304)Return on assets, excluding interest income(3,949)(30)Change in amount of surplus not recoverable, excluding interest charge516-Total re-measurement of the net defined benefit (asset) shown in the Statement of Financial Activities as 'Actuarial gains on defined pension scheme'(1,083)(1,334)Estimation of next year's income statement516		£'000	£'000
Total expense237292Re-measurements of the net defined benefit liability (asset) to be shown in SOFA:2019201820192018£'000£'000Actuarial losses /(gains) on the liabilities2,350(1,304)Return on assets, excluding interest income(3,949)(30)Change in amount of surplus not recoverable, excluding interest charge516-Total re-measurement of the net defined benefit (asset) shown in the Statement of Financial Activities as 'Actuarial gains on defined pension scheme'(1,083)(1,334)Estimation of next year's income statement516	Service cost - administrative cost	198	209
Total expense237292Re-measurements of the net defined benefit liability (asset) to be shown in SOFA:2019201820192018£'000£'000Actuarial losses /(gains) on the liabilities2,350(1,304)Return on assets, excluding interest income(3,949)(30)Change in amount of surplus not recoverable, excluding interest charge516-Total re-measurement of the net defined benefit (asset) shown in the Statement of Financial Activities as 'Actuarial gains on defined pension scheme'(1,083)(1,334)Estimation of next year's income statement516	Net interest on the net defined benefit liability	39	83
20192018f'000f'000Actuarial losses /(gains) on the liabilities2,350Return on assets, excluding interest income(3,949)Change in amount of surplus not recoverable, excluding interest charge516Total re-measurement of the net defined benefit (asset) shown in the Statement of Financial Activities as 'Actuarial gains on defined pension scheme'(1,083)Estimation of next year's income statement1	5	237	
20192018f'000f'000Actuarial losses /(gains) on the liabilities2,350Return on assets, excluding interest income(3,949)Change in amount of surplus not recoverable, excluding interest charge516Total re-measurement of the net defined benefit (asset) shown in the Statement of Financial Activities as 'Actuarial gains on defined pension scheme'(1,083)Estimation of next year's income statement1	Re-measurements of the net defined benefit liability (asset) to	o be shown in SOFA	:
Actuarial losses /(gains) on the liabilitiesf'000Actuarial losses /(gains) on the liabilities2,350(1,304)Return on assets, excluding interest income(3,949)(30)Change in amount of surplus not recoverable, excluding interest charge516-Total re-measurement of the net defined benefit (asset) shown in the Statement of Financial Activities as 'Actuarial gains on defined pension scheme'(1,083)(1,334)Estimation of next year's income statement516	<i>,</i> ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,		
Actuarial losses /(gains) on the liabilities2,350(1,304)Return on assets, excluding interest income(3,949)(30)Change in amount of surplus not recoverable, excluding interest charge516-Total re-measurement of the net defined benefit (asset) shown in the Statement of Financial Activities as 'Actuarial gains on defined pension scheme'(1,083)(1,334)Estimation of next year's income statement516			
Return on assets, excluding interest income(3,949)(30)Change in amount of surplus not recoverable, excluding interest charge516-Total re-measurement of the net defined benefit (asset) shown in the Statement of Financial Activities as 'Actuarial gains on defined pension scheme'(1,083)(1,334)Estimation of next year's income statement516	Actuarial losses /(gains) on the liabilities		
Change in amount of surplus not recoverable, excluding interest charge516Total re-measurement of the net defined benefit (asset) shown in the Statement of Financial Activities as 'Actuarial gains on defined pension scheme'(1,083)Estimation of next year's income statement		•	
shown in the Statement of Financial Activities as 'Actuarial gains on defined pension scheme'(1,083)(1,334)Estimation of next year's income statement	Change in amount of surplus not recoverable, excluding		-
-	shown in the Statement of Financial Activities as 'Actuarial	(1,083)	(1,334)
The amounts recognised in the income statement are:	<b>Estimation of next year's income statement</b> The amounts recognised in the income statement are:		
2020		2020	
£'000			
Scheme	Scheme		
expenses 198		198	
Total expense 198	•	198	

### **Baptist House Limited**

Baptist House Limited (BHL) is an employer participating in the Baptist Pension Scheme ("the BPS"), which is a separate legal entity administered by the Pension Trustee (Baptist Pension Trust Limited). BMS has a 50% share in BHL and accounts for 50% of the pension transactions and liability.

From January 2012, pension provision for members of staff is being made through the Defined Contribution (DC) Plan within the BPS. In general, members pay 8% of their Pensionable Income and employers pay 6% of members' Pensionable Income into individual pension accounts, which are operated and managed on behalf of the Pension Trustee by Legal and General Life Assurance Society Limited. In addition, the employer pays a further 4% of Pensionable Income to cover Death in Service Benefits, administration costs, and an associated insurance policy which provides income protection for BPS members in the event that they are unable to work due to long-term incapacity. This income protection policy has been insured by the Baptist Union of Great Britain with Aviva Limited. Members of the Basic Section of BPS pay reduced contributions of 5% of Pensionable Income, and their employers also pay a total of 5%.

Defined benefits in respect of service prior to 1 January 2012 were provided through the Baptist Union Staff Pension Scheme ("BUSPS") which was a separate legal entity administered by the Pension Trustee (Baptist Pension Trust Limited). The main benefits were a pension of one seventieth of a member's average salary over the last three years of pensionable service. The BUSPS started in 1969 and was closed to future accrual of defined benefits on 31 December 2011 and was not contracted out of the State Second Pension.

A contract was signed with Aviva Plc in June 2018 to take on the liabilities of the BUSPS to its beneficiaries and a wind up of the BUSPS was formally triggered on 31st August 2018 and completed on 18th September 2019. The Company (BHL) has no further liability in respect of the scheme.

BHL provided £341,000 to the Baptist Union of Great Britain (BUGB) in January 2018 as its share of the projected costs of winding up the scheme to hold on its behalf to facilitate the scheme wind-up. BUGB used these funds to cover the Company's share of the agreed contributions and scheme wind-up costs. In October 2018 the Company entered into an agreement with BUGB whereby BUGB will take on the Company's share of the remaining wind-up costs using the funds already provided less £125,742 that was returned to the Company. The Company therefore made net payments of £215,257 in 2018 to cover its share of the cost of winding up the scheme. A further £7,420 of contributions had been made by the company in November and December 2017, giving total contributions made in the year to 31 October 2018 of £222,677. No contributions were paid by the company in respect of BUSPS in the year to 31 October 2019. BMS has accounted for 50% of the costs in the relevant year accounts.

The total pension costs recognised in the Statement of Financial Activities for the charity is shown in the table below.

	2019	2018
	£	£
Current period contributions (defined contribution plan)	-	3,198
Multi-employer defined benefit plans:		
Net interest expense	-	4,012
Actuarial re-measurement of pension liability	-	(33,940)
	-	(26,730)

### 16 Analysis of net assets between funds

-	Unrestricted Funds £'000	Designated Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2019 £'000	2018 £'000
Tangible fixed assets	-	5,848	746	-	6,594	6,731
Investments	3,722	-	186	2,148	6,056	5,525
Current assets	2,670	272	647	-	3,589	3,458
Current liabilities	(734)	-	(50)	-	(784)	(724)
Pension Fund	-	-	-	-	-	(1,703)
_	5,658	6,120	1,529	2,148	15,455	13,287

### 17 Post Balance Sheet Event

### **COVID-19** Pandemic

From the 31 October 2019 to the date of signing these financial statements the outbreak of the pandemic, Covid-19, has had an economic effect across all sectors and BMS has considered the effect on the charity as a going concern, its resilience through this period and the effect on the assets and funds of the charity. The trustees have reviewed the revised financial plans and agreed a series of activities that should ensure financial stability in these difficult times. The estimated financial effect is mainly seen in an estimated f1.8 - 1.0m reduction in income, with a planned f0.4m reduction in expenditure to mitigate the effect and ensure that this does not affect our business-critical activities. The investment losses to the end of April 2020 were below f0.1m (a decline of 2.4% between October 2019 and April 2020) and are not considered material. The pension fund remains in a surplus position at 31 December 2019 and given this is not recognised in the financial statements as at 31 October 2019, this has limited impact. Legacies receivable of f1.2m may also be affected as property prices and stock markets fall. The estimated impact on the balance sheet is a loss of reserves of f0.5 – 0.8m

On review of the financial plans to the end of 31 December 2021, and given the further management actions that are feasible, the trustees have concluded that this will not affect the ability of the charity to continue as a going concern.

BMS World Mission





BMS World Mission PO Box 49 129 Broadway Didcot Oxfordshire OX11 8XA

# The Baptist NEMSy McGriddstellinesigend and Wales as a charity (number 1174364) and a company limited by guarantee (number 10849689)