

Company Registration  
Charity Registrations

England  
Scotland

No 611250  
No 219763  
No SC040432

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**Annual report and financial statements  
for the year ended 30 September 2020**

## **SIM International (UK)**

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



**SIM International (UK)**  
**For the year ended 30 September 2020**

**Directors' Report**

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**Charitable company information**

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**Registered office**

At 30 September 2020  
SIM International (UK)  
Newmarket Road  
Cambridge  
CB5 8RS

**Directors**

Rev J W Dyer	Co-Chair
Mr D M Heasman	Co-Chair
Mr B C Chandrasekar	(appointed 26 May 2020)
Dr. A B Harris	(retired 26 May 2020)
Miss C L Newman	
Mr P J Shelley	(retired 26 May 2020)
Mr S P Smith	
Mr D B Thompson	(appointed 26 May 2020)
Mr Y Mengistu Woldegebreal	
Mr N R J Younge	

**Company Secretary**

Mr D A Silver

**Bankers**

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

**Solicitors**

Lewis & Dick  
443 Kingston Road  
Ewell  
Surrey KT19 0DG

**Auditor**

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

**Registered Company number 611250**  
**Registered Charity number England 219763**  
**Registered Charity number Scotland SC040432**

# SIM International (UK)

## For the year ended 30 September 2020

### Directors' Report

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The directors who are also trustees have pleasure in presenting their report and the financial statements for the year ended 30 September 2020.

#### Governing instrument

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

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

#### Structure, Governance and Management

The following were directors for the whole of the period from 1 October 2019 to the date of this report unless otherwise stated:

Rev J W Dyer	Co-Chair
Mr D M Heasman	Co-Chair
Mr B C Chandrasekar	(appointed 26 May 2020)
Dr A B Harris	(retired 26 May 2020)
Miss C L Newman	
Mr P J Shelley	(retired 26 May 2020)
Mr S P Smith	
Mr D B Thompson	(appointed 26 May 2020)
Mr Y Mengistu Woldegebreal	
Mr N R J Younge	

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

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

SIM International (UK) (“SIM UK”) is the UK arm of SIM, the global missionary agency (“SIM”). “Serving In Mission” is a working name of SIM International UK.

#### Sub-committees

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

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

#### Operational Management

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

Mr S P Smith	UK Director
Mr D A Silver	Finance & Operations Director

# **SIM International (UK)**

## **For the year ended 30 September 2020**

### **Directors' Report**

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Mrs D C Agnes	Member Care & Mobilisation Director
Mrs H Hitchin	Head of Mobilisation
Mrs C Blainey	Executive Assistant and Innovation Manager
Miss J Cornish	Head of Relationship Development

#### **Remuneration of key management personnel**

The Finance and Legal committee have responsibility for reviewing salary policy and salary structures. Proposed changes are recommended to the Board. Salaries are benchmarked against other UK mission agencies.

#### **Volunteers**

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

#### **Statement of Directors' responsibilities**

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

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

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

The accounts comply with statutory requirements under Company law as stated above and also the requirements of the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP) issued in January 2019, the Charities (Accounts and Reports) Regulations and the Charities Act 2011.

#### **Risk management**

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

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

The specific risk identified as severe and possible over the next five years was:

- Unintentional illegal acts including data protection, safeguarding, charity law and employment law.

Appropriate courses of action were agreed for each of these to mitigate against the risks.

The directors have identified CV-19 as a short-term risk and there has been short-term impact on the charity's activities. Income streams have been affected during periods of lockdown due to churches not being able to meet. We expect that this will reverse provided lockdowns are not needed in the future. Travel is more complicated and restricted so there is more work to do to support our members and their work than previously. The directors will continue to monitor the impact of the pandemic on short term and long-term

# **SIM International (UK)**

## **For the year ended 30 September 2020**

### **Directors' Report**

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strategic goals and processes of the organisation but do not believe this will affect the charity's capacity to continue as a going concern and to fulfil its vision and aims.

#### **Objectives and Activities**

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

#### **We seek to achieve the vision by:**

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

#### **Our aim**

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

#### **Our current strategy**

In 2014, the leaders of SIM International agreed a pioneering focus on those living and dying without hearing the gospel of Jesus Christ. The Board of Trustees reflected on how Serving In Mission would refocus its strategy in the UK and Europe, and agreed the following five priorities. Each of these was further developed in the year ending 30<sup>th</sup> September 2020:

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

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

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

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

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

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

##### **3 Discipled workers equipped to be fruitful in gospel ministry**

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

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

## SIM International (UK)

For the year ended 30 September 2020

### Directors' Report

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- be effectively supported through financial, prayer and ministry expertise networks.
- 4 Sacrificial prayer and generosity increased to facilitate well-stewarded gospel initiatives**  
Serving In Mission will clearly communicate the resource needs of pioneering mission to the unreached with existing supporters and new donors:
- encouraging sacrificial gospel generosity to cover clearly explained costs of mission;
  - supporters and donors will be promptly thanked and regularly updated about the needs of cross-cultural gospel ministry worldwide; and
  - in order that unrestricted and restricted donations will increase to fund new gospel initiatives.
- 5 Gospel partnerships developed for reaching people without a gospel witness**  
Hand-in-hand with evangelical churches, organisations and institutions, Serving In Mission will:
- develop multi-cultural initiatives locally, regionally and internationally;
  - provide church-focused mission support services with like-minded mission organisations; and
  - build mutually-beneficial partnerships so that the church's mission is fulfilled.

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

The three-fold aim of the programme is:

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

#### Review of Activities, Future Developments and Plans

The charity has continued to develop its core activities of enabling UK churches to send and receive missionaries, and supporting those missionaries. In 2020 a total of 153 (2019: 183) missionaries served in cross-cultural mission. The 2019 figure includes 33 headcount placed through SIM UK for the German mission agency DMG. During 2020 DMG was recognised formally by SIM International as a mission partner and now sends missionaries directly to SIM fields without any need for UK involvement. At the end of the year there were 134 long term missionaries (2019: 125) and 19 on short term assignments (2019: 25) serving with Serving In Mission, There were 4 missionaries from overseas serving with UK churches (2019: 3). The charity has continued to receive and send funding for numerous projects around the world.

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

#### Office Relocation

As reported previously the Board decided in April 2018 to relocate the charity offices to Cambridge. Consultants

## **SIM International (UK)**

### **For the year ended 30 September 2020**

## **Directors' Report**

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and an Estate Agent were engaged to commence the sale of Wetheringsett Manor, find a destination for the relocated office, and to assist the organisational transition to operate from relocated premises, combined with an increased amount of home working by some staff. The exchange of contracts for the Wetheringsett site was on 17<sup>th</sup> December 2019 with Completion on 17<sup>th</sup> January, 2020. The Trustees were pleased that arrangements were made with the purchaser for the Wetheringsett Camp to continue using the site for three weeks each summer.

Since January 2020 the charity has been renting premises in Cambridge under a short-term rental arrangement to provide a base for operations. After an extensive search permanent freehold premises in Cambridge were identified in Summer 2020 and the purchase was completed on 15<sup>th</sup> January 2021. As these premises need to be fitted out, final relocation is expected by July 2021.

### **Public Benefit**

The directors are aware of the Charity Commission's guidance on public benefit and, in particular, the specific guidance offered to charities for the advancement of religion. The charity's objects include advancement of religion along with the alleviation of poverty and suffering. As explained in the Review of Activities set out above on page 5, the charity has addressed a range of such public benefit purposes including:

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

### **Fundraising**

The charity had an average headcount of 0.5 staff (FTE) dedicated to fundraising. All fundraising communication was conducted in accordance with GDPR legislation, following Company policy and procedures. The database of supporters identifies vulnerable people to ensure they are protected from unreasonable intrusion and is updated to ensure the charity is up to date with the needs of supporters and contacts. Guidance and training was provided to missionaries to ensure their communications to their personal supporters would also be GDPR compliant. No complaints were received about the charity's fundraising activities in the year. The charity did not use the services of external professional fundraising consultants or commercial fundraising contractors.

### **Key Financial Provisions, Trends and Risks**

On 17<sup>th</sup> January 2020 the charity completed the sale of its Wetheringsett Manor freehold property to Bramfield School Limited. As the sale proceeds exceeded the Net Book Value of the property there is a book gain of £642k. The trustees have decided that the net amount remaining from the sale proceeds after all the costs of sale, relocation and transition have been met should be held in a designated reserve for the purposes of purchasing property in due course to support the charity in its objectives. As noted below in post-balance sheet events, the purchase of a freehold property in Cambridge was completed on 15 January 2021, making use of these funds.

The stable number of SIM UK missionaries has resulted in similar levels of support for missionaries of £2,278k (2019: £2,490k) and missionaries' costs of £2,401k (2019: £2,458k).

The increase in project income £837k (2019: £590k) reflects specific appeals to donors during the year to support global projects working to mitigate the impact of CV-19 in communities where SIM teams operate.

# **SIM International (UK)**

## **For the year ended 30 September 2020**

### **Directors' Report**

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In common with many investors the first part of 2020 saw significant losses on the investment portfolio which were partly recovered by the year end resulting in a net unrealised loss of £100k. The majority of this has been further recovered in the period subsequent to the balance sheet date. The income from interest and dividends was reduced as a result of the impact of CV-19 on the global economy and the reduction in interest rates and dividend payouts and totalled £47k (2019: £54k).

The main financial risk remains the reliance on unrestricted donated income. The trustees keep a careful eye on how this income stream develops and a series of giving weeks has been planned for 2021 to develop new sources of funds. The move from Wetheringsett Manor to a purpose built office in Cambridge will reduce running costs and considerably reduce risks to operational expenditure.

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

#### CV-19

At the point of signing the accounts it remains impossible to fully determine the impacts of CV-19 on the operations of the charity. Nevertheless, the statement by the UK government of a pathway out of lockdown and the roll-out of the vaccination in the UK encourages the view that the period of domestic impact will be limited. The impact internationally is more difficult to assess and a longer time will be needed to fully understand the post-CV19 world. Travel is likely to remain more complicated and restricted so there will be more work to do to support our members and their work than previously. The directors will continue to monitor the impact of the pandemic on long-term strategic goals and processes of the organisation but do not believe this will affect the charity's capacity to continue as a going concern and to fulfil its vision and aims.

#### Brexit

The Trustees do not think that Brexit will have a significant impact on the Charity, either operationally or financially. This has been borne out by the experience of the first few months of 2021.

- Operationally, the vast majority of SIM UK missionaries operate outside of Europe. Any that operate in Europe are placed through European partner agencies such as DMG Interpersonal e.V. (Damit Menschen Gott begegnen, Sinsheim, Germany), who will manage any visa issues arising from Brexit.
- Financially, although Brexit uncertainty is affecting financial markets resulting in decreased investment returns, SIM UK's investment strategy is highly cautious (see section "Investment Policy" below), with the majority of the charity's investments being little affected by fluctuations in financial markets. Only 1% of the charity's total income comes from investment income.

#### **Investment policy**

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

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

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

# **SIM International (UK)**

## **For the year ended 30 September 2020**

### **Directors' Report**

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#### **Reserves policy**

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

Costs of £120k have been incurred in 2020 (2019: £167k) in respect of progressing the sale of Wetheringsett Manor and preparing for relocation to Cambridge. These have been set-off against the proceeds from the sale, before setting the balance aside for potential future property purchase.

General Funds held at 30 September 2020 were £422k, equivalent to around 6 months of standard operational costs. The Strategy & Special Project Funds held at the year-end was deemed to be sufficient to cover the projected deficits, and reasonable contingencies for the medium term, taking into account the funds from the sale of Wetheringsett. The total unrestricted available reserves at 30<sup>th</sup> September 2020 were £1,895k (2019: £603k).

Endowment, Restricted and certain Designated funds are excluded from the free reserves calculation along with the Asset Fund which is not liquid.

#### **Going Concern**

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

#### **Post balance sheet events**

On 15<sup>th</sup> January 2021 the charity completed the purchase of a freehold property in Histon, Cambridge which will form the operating base for future development of the charity's activities and services.

#### **Auditor**

Following a tender process the directors have decided to appoint Price Bailey as auditors, and following their agreement, a resolution to appoint them as auditor will be proposed at the forthcoming annual general meeting.

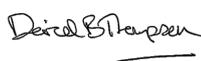
#### **Statement of disclosure to the Auditor**

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

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

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

BY ORDER OF THE BOARD



.....  
Mr. D Thompson, Director  
Newmarket Road  
Cambridge CB5 8RS  
Date: 11-May-2021

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

## **For the year ended 30 September 2020**

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### **Opinion**

We have audited the financial statements of SIM International (UK) (the 'charity') for the year ended 30 September 2020 which comprise of the Statement of Financial Activities (incorporating the income and expenditure account), the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 30 September 2020 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

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

### **Conclusions relating to going concern**

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

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

### **Other information**

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or

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

### **For the year ended 30 September 2020**

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our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report is prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Director' Report has been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

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

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

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

#### **Responsibilities of Trustees**

As explained more fully in the Directors' responsibilities statement set out on page 4, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

#### **Auditor's responsibilities for the audit of the financial statements**

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

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

**For the year ended 30 September 2020**

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accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### Use of the audit report

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



Vincent Marke (May 11, 2021 21:59 GMT+1)

Vincent Marke

(Senior Statutory Auditor) for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

The Pinnacle

160 Midsummer Boulevard

Milton Keynes

MK9 1FF

Date: May 11, 2021

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

For the year ended 30 September 2020

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2020 £	Total 2019 £
<b>Income from:</b>						
Donations and similar income	3	861,690	3,270,589	-	4,132,279	3,948,603
Legacies		155,823	10,776	-	166,599	111,549
Interest and investment income	4	39,753		6,882	46,635	53,935
Other income		6,566	-	-	6,566	23,505
<b>Total income</b>	<b>5</b>	<b>1,063,832</b>	<b>3,281,365</b>	<b>6,882</b>	<b>4,352,079</b>	<b>4,137,592</b>
<b>Expenditure on:</b>						
Raising funds		153,754	-	-	153,754	94,654
Charitable activities:						
Missionaries		39,022	2,238,895	-	2,277,917	2,400,659
Ministry		243,389		-	243,389	234,259
Projects		-	810,248	-	810,248	760,862
Services for Missionaries		248,463	-	-	248,463	369,860
Mobilisation & Member Care		561,180	-	-	561,180	587,108
<b>Total expenditure</b>	<b>7</b>	<b>1,245,808</b>	<b>3,049,143</b>	<b>-</b>	<b>4,294,951</b>	<b>4,447,402</b>
<b>Net income / expenditure before other gains and losses</b>		<b>(181,976)</b>	<b>232,222</b>	<b>6,882</b>	<b>57,128</b>	<b>(309,810)</b>
Gain on disposal of fixed assets		642,051			642,051	-
Net gains / (losses) on investments		(99,728)	-	-	(99,728)	2,006
Transfers & reclassifications between funds		(197,041)	197,041	-	-	-
<b>Net movement in funds</b>		<b>163,306</b>	<b>429,263</b>	<b>6,882</b>	<b>599,451</b>	<b>(307,804)</b>
Fund balances brought forward	19	2,769,352	1,219,886	218,118	4,207,356	4,515,160
<b>Fund balances carried forward</b>	<b>19</b>	<b>2,932,658</b>	<b>1,649,149</b>	<b>225,000</b>	<b>4,806,807</b>	<b>4,207,356</b>

The notes to the financial statements on pages 16 to 33 form part of these accounts.

## Balance sheet at 30 September 2020

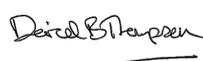
Company Number: 611250

	Notes	2020		2019 - Restated	
		£	£	£	£
<b>Fixed assets</b>					
Tangible fixed assets	10	13,989		872,674	
Intangible fixed assets	11	6,735		8,980	
Investments	12	914,908		728,769	
			935,632		1,610,423
<b>Non-current assets</b>					
Debtors falling due after more than one year	13		120,000		120,000
<b>Current assets</b>					
Debtors	14	125,544		208,299	
Current asset investments	15	709,716		1,674,417	
Cash and cash equivalents	16	3,391,562		1,131,380	
		4,226,822		3,014,096	
<b>Current liabilities</b>					
Creditors: Amounts falling due within one year	17	(415,298)		(462,348)	
<b>Net current assets</b>			3,811,524		2,551,748
<b>Non-current liabilities</b>					
Creditors: Amounts falling due after one year	17		(60,349)		(74,815)
<b>Total assets less total liabilities</b>			<b>4,806,807</b>		<b>4,207,356</b>
<b>The funds of the charity:</b>					
Unrestricted Funds			2,932,658		2,769,352
Restricted funds			1,649,149		1,219,886
Endowment fund			225,000		218,118
	19		<b>4,806,807</b>		<b>4,207,356</b>

The notes to the financial statements on pages 16 to 33 form part of these accounts.

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

Approved and authorised for issue by the Board on April 22 2021 and signed on its behalf by:



Mr. D Thompson, Director

Date: 11-May-2021

## Statement of cash flows

### For the year ended 30 September 2020

	2020 £	2019 £
Net movement in funds	599,451	(307,804)
<u>Adjustments for:</u>		
Depreciation	1,175	2,078
Profit on disposal of Fixed Assets	(642,051)	-
Amortisation	2,245	2,994
(Gain) / loss on investments	99,728	(2,006)
Interest and investment income	(46,635)	(53,935)
Decrease / (increase) in debtors	82,755	(40,956)
(Decrease) / increase in creditors	(61,516)	(6,555)
<b>Cash generated from operations</b>	<b>35,152</b>	<b>(406,186)</b>
Proceeds on disposal of property, plant and equipment	1,499,561	-
Movement in Current Asset Investments	964,701	-
Net cash drawn from (placed to) fixed notice accounts	(285,867)	187,938
Interest and investment income	46,635	53,595
<b>Net cash inflow from investing activities</b>	<b>2,225,030</b>	<b>241,873</b>
<b>Net increase in cash and cash equivalents</b>	<b>2,260,182</b>	<b>(164,313)</b>
Cash and cash equivalents at beginning of year	1,131,380	1,295,693
<b>Cash and cash equivalents at end of year</b>	<b>3,391,562</b>	<b>1,131,380</b>

The notes to the financial statements on pages 16 to 33 form part of these accounts.

## Notes to the financial statements (continued) For the year ended 30 September 2020

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### 1 Company status

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

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

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

### 2 Accounting policies

#### 2.1 Basis of preparation

The financial statements have been prepared in accordance with Financial Reporting Standard 102 (“FRS 102”) and comply with the Statement of Recommended Practice “Accounting and Reporting by Charities” issued by the Charity Commission in October 2019.

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

#### 2.2 Accounting convention

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

#### 2.3 Going concern

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

The directors continue to monitor the impact of the COVID-19 pandemic on short-term and long-term strategic goals and processes of the organisation but do not believe this will affect the charity's capacity to continue as a going concern and to fulfil its vision and aims.

#### 2.4 Funds

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

##### **Endowment funds**

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

**Notes to the financial statements (continued)**  
**For the year ended 30 September 2020**

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**Restricted funds**

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

**Unrestricted funds**

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

**Transfers between Funds**

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

**2.5 Income**

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

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

**2.6 Classification of expenditure**

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

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

**2.7 Profits on sale of property and investments**

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

**Notes to the financial statements (continued)**  
**For the year ended 30 September 2020**

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**2.8 Fixed assets**

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

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

**2.9 Foreign currencies**

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

**2.10 Pension costs**

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

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

**2.11 Operating leases**

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

**2.12 Termination costs**

Termination costs are accrued when it is reasonably certain an individual will accept an irrevocable offer of redundancy.

**2.13 Cash and cash equivalents**

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

## Notes to the financial statements (continued)

### For the year ended 30 September 2020

#### 2.14 Financial instruments

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

#### 2.15 Judgements in applying accounting policies and key sources of estimation uncertainty

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

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

The key estimates and assumptions made in these accounts are:

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

### 3 Analysis of donations

	Un- restricted £	Restricted £	Endow- ment £	2020 £	2019 £
Donations for Missionaries	-	2,433,632	-	2,433,632	2,490,085
Donations for Projects	-	836,957	-	836,957	590,281
Donations for Ministry	213,372	-	-	213,372	191,144
Service Charges	363,414	-	-	363,414	391,976
Unrestricted Donations	284,904	-	-	284,904	315,117
	<b>861,690</b>	<b>3,270,589</b>	<b>-</b>	<b>4,132,279</b>	<b>3,948,603</b>

## Notes to the financial statements (continued)

### For the year ended 30 September 2020

#### 4 Interest and investment income

	2020	2019
	£	£
Interest on bank deposits	26,385	21,653
Investment income – Common Investment Funds	20,250	32,282
	<u>46,635</u>	<u>53,935</u>

#### 5 Total income

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

A geographical analysis of income is given below:

	2020	2019
	£	£
UK	3,975,693	3,830,451
Donor agencies (Northern Europe)	144,847	87,450
Other SIM offices	231,539	219,691
	<u>4,352,079</u>	<u>4,137,592</u>

#### 6 Surplus on mission activities for the year

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

	2020	2019
	£	£
Loss / (Gain) on foreign exchange	3,742	(402)
Depreciation of fixed assets	1,175	2,078
Amortisation of intangible assets	2,245	2,994
Operating lease rentals	2,359	3,017
Auditor's remuneration (inc VAT)	<u>12,600</u>	<u>11,880</u>

## Notes to the financial statements (continued)

### For the year ended 30 September 2020

#### 7 Total Expenditure

	Staff Costs £	Other Costs £	2020 £	2019 £
Costs of generating voluntary income	14,087	139,666	153,753	94,654
Missionaries' Costs	-	2,277,917	2,277,917	2,400,659
Missionaries' Ministry	-	243,389	243,389	234,259
Projects	121,183	689,065	810,248	760,862
Services for Missionaries	148,595	99,868	248,463	369,860
Mobilisation & Member Care	409,326	151,855	561,181	587,108
	<b>693,191</b>	<b>3,601,760</b>	<b>4,294,951</b>	<b>4,447,402</b>

#### 8 Staff costs

	2020 £	2019 £
Salaries	584,707	607,705
Social Security Costs	39,459	49,603
Other Pension Costs	69,025	80,202
	<b>693,191</b>	<b>737,510</b>

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

	2020	2019
Management	6	4
Mobilisation	12	12
Administration	15	15
	<b>33</b>	<b>31</b>

**Notes to the financial statements (continued)**  
**For the year ended 30 September 2020**

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**8 Staff costs (continued)**

The key management personnel are recognised as 6 members of staff (UK Director, Finance & Operations Director, Personnel Director, Head of Relationship Development, Head of Mobilisation and Executive Assistant & Innovation Manager). The total remuneration for these staff totalled £221,788 (2019: 4 people £158,273). This included pension contributions of £19,008 (2019: £23,337).

One Director was employed during the year and the remuneration package totalled £51,094 (2019: £52,407) for the year including £5,064 (2019: £4,736) in respect of pension contributions.

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

No trustees claimed travel expenses in the year (2019: No trustees submitted claims).

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

In respect of personnel who joined the charity before 1 October 1984, there are no formal pension arrangements. However, the charity makes payments of discretionary supplementary allowances to retired personnel who joined before that date to augment pensions and other allowances they receive. This arrangement does not represent a binding agreement as payments are made to the extent that funds are available. (See Note 18)

Redundancy costs totalling £48,066 were paid in the year as a result of 6 staff leaving due to the move of the organisation's operations to Cambridge.

**9 Taxation**

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

## Notes to the financial statements (continued)

### For the year ended 30 September 2020

#### 10 Tangible fixed assets

	Freehold property £	Equipment £	Total £
<b>Cost</b>			
At 1 October 2019	1,183,272	216,557	1,399,829
Prior Year Restatement	(120,000)		(120,000)
Restated at October 1 2019	1,063,272	216,557	1,279,829
Additions	-	-	-
Disposals	(1,048,826)	(11,475)	(1,060,301)
At 30 September 2020	<b>14,446</b>	<b>205,082</b>	<b>219,528</b>
<b>Depreciation</b>			
At 1 October 2019	196,831	210,324	407,155
Disposals	(192,848)	(9,943)	(202,791)
Charge for the year	-	1,175	1,175
At 30 September 2020	<b>3,983</b>	<b>201,556</b>	<b>205,539</b>
<b>Net Book Value</b>			
At 30 September 2019	866,441	6,233	872,674
At 30 September 2020	<b>10,463</b>	<b>3,526</b>	<b>13,989</b>

In prior years the charity carried an amount of £120,000 as Freehold Property representing a contribution made to the UK Executive Director's purchase of a domestic freehold property on his relocation to take up the role. It has been identified that this transaction should more accurately be disclosed as a loan to the director and it is disclosed below in Note 13. There is no change to the charity's net asset position and no impact on the Statement of Financial Activities. As there has been no change in the underlying position it was agreed that this should be represented through a prior year adjustment removing the amount from the brought forward Freehold Property asset and showing it as a Loan to Director in the comparatives.

## Notes to the financial statements (continued)

### For the year ended 30 September 2020

#### 11 Intangible fixed assets

	Software £	Total £
<b>Cost</b>		
At 1 October 2019	28,384	28,384
Additions	-	-
Disposals	-	-
At 30 September 2020	<u>28,384</u>	<u>28,384</u>
<b>Depreciation</b>		
At 1 October 2019	19,404	19,404
Charge for the year	2,245	2,245
At 30 September 2020	<u>21,649</u>	<u>21,649</u>
<b>Net Book Value</b>		
At 30 September 2019	8,980	8,980
At 30 September 2020	<u>6,735</u>	<u>6,735</u>

#### 12 Fixed asset investments

	2020 £	2019 £
<b>Unlisted Investments</b>		
Cash deposits maturing in more than 12 months	<u>285,867</u>	<u>-</u>
<b>Listed Investments – at market value</b>		
At 1 October	728,769	726,763
Sales & Maturities	-	-
Unrealised Gain	-	11,469
Unrealised Loss	(99,728)	(9,463)
At 30 September	<u>629,041</u>	<u>728,769</u>
<b>Total fixed asset investments</b>	<u>914,908</u>	<u>728,769</u>

The historical cost of listed investments at the balance sheet date was £559,896 (2019: £559,896).

**Notes to the financial statements (continued)**  
**For the year ended 30 September 2020**

**13 Non-current assets**

	<b>2020</b>	<b>2019-</b>
	<b>£</b>	<b>Restated</b>
		<b>£</b>
<b>Debtors falling due after more than one year</b>		
Loan to Executive Director	120,000	120,000

As set out in Note 10 above this represents a loan to the Executive Director secured against his residential property.

**14 Debtors**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Due from other SIM offices	31,235	89,683
Other debtors	30,233	79,004
Missionaries' personal funds (see note 17)	719	3,968
Prepayments & accrued income	63,358	35,644
	<b>125,544</b>	<b>208,299</b>

**15 Current asset investments**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Cash deposits	<b>709,716</b>	<b>1,674,417</b>

**16 Cash and cash equivalents**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Cash at bank and in hand	<b>3,391,562</b>	<b>1,131,380</b>

**Notes to the financial statements (continued)**  
**For the year ended 30 September 2020**

**17 Creditors**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Due to other SIM offices	89,081	107,438
Taxation & social security	12,506	17,970
Other creditors	116,654	139,686
Missionaries' personal funds (see note 18)	147,668	157,777
Accruals & deferred income	33,579	24,028
Pension deficit (see note 21)	15,810	15,449
	<b><u>415,298</u></b>	<b><u>462,348</u></b>

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Amounts due after one year</b>		
Pension deficit (see note 21)	<b><u>60,349</u></b>	<b><u>74,815</u></b>

**18 Missionaries personal funds**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Balance at the beginning of the year	153,809	143,685
Allowances and transfers	867,103	887,804
	<u>1,020,912</u>	<u>1,031,489</u>
Less: Payments from personal accounts	(873,963)	(877,680)
Balance at the end of the year	<b><u>146,949</u></b>	<b><u>153,809</u></b>
(See notes 14 and 17)		

**Notes to the financial statements (continued)**  
**For the year ended 30 September 2020**

**19 Funds**

	Asset fund £	Designated funds £	Strategy fund £	General fund £	Restricted funds £	Endowment fund £	Total funds £
<b>Balance at 1 October 2018</b>	<b>1,006,724</b>	<b>1,421,406</b>	<b>299,034</b>	<b>484,495</b>	<b>1,096,852</b>	<b>206,649</b>	<b>4,515,160</b>
Income / Expenditure for year	(5,072)	(69,503)	(224,994)	(56,067)	45,826	-	(309,810)
Unrealised gain/(loss) on investments	-	-	-	-	(9,463)	11,469	2,006
Classification to reflect adjusted mis- statement of Director's Loan	(120,000)			120,000			-
Transfers	-	(66,818)	8,117	(27,970)	86,671	-	-
<b>Balance at 30 September 2019</b>	<b>881,652</b>	<b>1,285,085</b>	<b>82,157</b>	<b>520,458</b>	<b>1,219,886</b>	<b>218,118</b>	<b>4,207,356</b>
Income / (Expenditure) for year	(3,420)	(68,385)	(163,157)	52,987	232,222	6,882	57,128
Gain/(Loss) on sale of fixed assets				642,051			642,051
Reclassification of fund to Restricted		(265,327)			265,327		-
Unrealised gain/(loss) on investments				(99,728)			(99,728)
Transfers	(855,979)	64,197	1,553,738	(693,670)	(68,286)		-
<b>Balance at 30 September 2020</b>	<b>22,253</b>	<b>1,015,569</b>	<b>1,472,737</b>	<b>422,099</b>	<b>1,649,149</b>	<b>225,000</b>	<b>4,806,807</b>

## Notes to the financial statements (continued)

### For the year ended 30 September 2020

#### 19 Funds (continued)

Unrestricted funds:

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

The Designated funds represent amounts set aside for the future use of Mission members and includes £375,539 (2019: £395,378) in respect of the voluntary pension payments mentioned in notes 8 & 21.

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

The charity aims to hold around 6 months of running costs in the General Fund. The year end balance at 30 September 2020 is considered to be a suitable reserve on this basis.

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

The restricted funds comprise:

	<b>Missionary Support</b>	<b>Overseas Projects</b>	<b>UK Projects</b>	<b>Total funds</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Balance at 30 September 2019	1,092,306	21,155	106,425	1,219,886
Inclusion of Ministry Funds as Restricted	265,327			265,327
Net movement in fund	105,167	6,710	52,059	163,936
<b>Balance at 30 September 2020</b>	<b>1,462,800</b>	<b>27,865</b>	<b>158,484</b>	<b>1,649,149</b>

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

#### Transfers and Reclassifications

The 'Reclassification of Fund to Restricted' at the year end was to change the classification of the Ministry fund from Designated to Restricted to better reflect the current nature of the fund and the expectations of donors in giving to the Ministry funds of workers. In future years income and expenditures of this fund will be allocated as Restricted. The transfers in the year reflect the sale of Assets associated with the move from Wetheringsett and the movement of funds to Strategy projects from General Funds in line with the Reserves policy.

## Notes to the financial statements (continued)

For the year ended 30 September 2020

### 20 Analysis of net assets between funds

	Unrestricted Funds	Restricted Funds	Endowment Fund	Total Funds
	£	£	£	£
Tangible Fixed Assets	13,989	-	-	13,989
Intangible Fixed Assets	6,735	-	-	6,735
Investments	696,790	-	218,118	914,908
Non-current assets	120,000			120,000
Current assets	2,570,790	1,649,150	6,882	4,226,822
Current liabilities	(415,298)	-	-	(415,298)
Long term liabilities	(60,349)	-	-	(60,349)
	<b><u>2,932,657</u></b>	<b><u>1,649,150</u></b>	<b><u>225,000</u></b>	<b><u>4,806,807</u></b>

### 21 Pension costs

The pension charge represents contributions payable by the charity to pension schemes and amounted to £69,025 (2019: £80,202).

#### Defined contribution pension scheme

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

Contributions payable to the pension schemes at the year end amounted to £5,244 (2019: £NIL).

#### Discretionary Supplementary Allowances

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

## **Notes to the financial statements (continued)**

### **For the year ended 30 September 2020**

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#### **21. Pension costs (continued)**

##### **TPT Retirement Solutions – The Growth Plan**

The company participates in the scheme, a multi-employer scheme which provides benefits to some 950 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

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

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

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

##### **Deficit contributions**

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

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

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

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

## Notes to the financial statements (continued)

### For the year ended 30 September 2020

#### 21. Pension costs (continued)

##### PRESENT VALUES OF PROVISION

	30 September 2020 (£)	30 September 2019 (£)	30 September 2018 (£)
Present value of provision	76,159	85,633	106,078

##### RECONCILIATION OF OPENING AND CLOSING PROVISIONS

	Period Ending 30 September 2020 (£)	Period Ending 30 September 2019 (£)
Provision at start of period	85,633	106,078
Unwinding of the discount factor (interest expense)	757	1,737
Deficit contribution paid	(15,449)	(14,865)
Remeasurements - impact of any change in assumptions	5,218	1,737
Remeasurements - amendments to the contribution schedule	-	(9,054)
Provision at end of period	76,159	85,633

##### INCOME AND EXPENDITURE IMPACT

	Period Ending 30 September 2020 (£)	Period Ending 30 September 2019 (£)
Interest expense	757	1,737
Remeasurements – impact of any change in assumptions	5,218	1,737
Remeasurements – amendments to the contribution schedule	-	(9,054)

##### ASSUMPTIONS

	30 September 2020 % per annum	30 September 2019 % per annum	30 September 2018 % per annum
Rate of discount	0.58	0.98	1.76

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

## Notes to the financial statements (continued)

### For the year ended 30 September 2020

#### 21. Pension costs (continued)

##### FRS 102 - SECTION 28 ADDITIONAL INFORMATION

The following schedule details the deficit contributions agreed between the company and the scheme at each year end period:

##### DEFICIT CONTRIBUTIONS SCHEDULE

Year ending	30 September 2020 (£)	30 September 2019 (£)	30 September 2018 (£)
Year 1	15,913	15,449	14,727
Year 2	16,390	15,913	15,169
Year 3	16,882	16,390	15,624
Year 4	17,388	16,882	16,093
Year 5	9,689	17,388	16,575
Year 6	-	5,882	17,073
Year 7	-	-	17,585
Year 8	-	-	-

The company must recognise a liability measured as the present value of the contributions payable that arise from the deficit recovery agreement and the resulting expense in the income and expenditure account i.e. the unwinding of the discount rate as a finance cost in the period in which it arises.

It is these contributions that have been used to derive the company's balance sheet liability.

#### 22 Other financial commitments

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

	2020 £	2019 £
Payable under 1 year	3,171	2,359
Payable 1 to 5 years	8,084	4,008
Payable over 5 years	-	338
	<b>11,255</b>	<b>6,705</b>

#### 23 Post balance sheet events

On 15<sup>th</sup> January 2021 the charity completed the purchase of a freehold office property in Histon, Cambridge to serve as a UK base. The funds were disbursed from the funds received from the sale of the charity's property at Wetheringsett Manor as prescribed by the Trustees.

## Notes to the financial statements (continued)

### For the year ended 30 September 2020

#### 24 Statement of financial activities – Comparatives

	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Endowment Funds 2019 £	Total 2019 £
<b>Income from:</b>				
Donations and similar income	868,237	3,080,366	-	3,948,603
Legacies	40,572	70,977	-	111,549
Interest and investment income	47,053	6,882	-	53,935
Other income	23,505	-	-	23,505
<b>Total income</b>	<b>979,367</b>	<b>3,158,225</b>	<b>-</b>	<b>4,137,592</b>
<b>Expenditure on:</b>				
Raising funds	94,654	-	-	94,654
Charitable activities:				
Missionaries	39,659	2,361,000	-	2,400,659
Ministry	234,259	-	-	234,259
Projects	-	760,862	-	760,862
Services for Missionaries	369,860	-	-	369,860
Mobilisation & Member Care	587,108	-	-	587,108
<b>Total expenditure</b>	<b>1,325,540</b>	<b>3,121,862</b>	<b>-</b>	<b>4,447,402</b>
<b>Net income / expenditure before other gains and losses</b>	<b>(346,173)</b>	<b>36,363</b>	<b>-</b>	<b>(309,810)</b>
Net gains / (losses) on investments	(9,463)	-	11,469	2,006
Transfers between funds	(86,671)	86,671	-	-
<b>Net movement in funds</b>	<b>(442,307)</b>	<b>123,034</b>	<b>11,469</b>	<b>(307,804)</b>
Fund balances brought forward	3,211,659	1,096,852	206,649	4,515,160
<b>Fund balances carried forward</b>	<b>2,769,352</b>	<b>1,219,886</b>	<b>218,118</b>	<b>4,207,356</b>