



BMS WORLD MISSION

Annual Report and Financial Statements

YEAR ENDED 31 DECEMBER 2021

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Front and back cover: Guinebor II hospital in Chad is bringing crucial healthcare to vulnerable communities.

Photo: BMS-supported agricultural training in Uganda is helping people grow enough food to feed their families.

A WORD OF INTRODUCTION

Dear friends,

We introduce BMS World Mission's Annual Accounts for 2020-2021 in a radically different style this year, as we seek to make the stories that your support has made possible more accessible. We hope you enjoy the next 30 pages.

We begin 2022 thankful for all God has done to sustain us through the challenges of the last two years, doing immeasurably more than we asked for. Above all, we thank God for BMS' supporters, whose generosity allowed us to continue as much of our work as possible across four continents.

We had much cause for joy this year, including the beginning of our partnership with All4Aid on the Greek island of Lesbos, home to the Mavrovouni refugee camp; saving lives from a disease the world forgot in Chad; of people coming to faith in Thailand; and of bringing justice to people wrongly imprisoned in Uganda. However, we also experienced much sorrow. As the Taliban took over Afghanistan in August, you prayed for the safe evacuation of BMS mission workers, and for local people to stay safe in the country. While we're pleased that we safely managed the evacuation of our mission personnel and that some of our partner's work has been able to continue, we ask that you continue to pray for this nation. We want to see peace and stability restored and for our mission workers to return to build upon the foundations of their work.

We had prayed that our introduction this year perhaps would be able to turn the focus away from Covid-19. While much of the Western world breathes vaccinated sighs of relief, as we know too well from our mission workers and partners in fragile states, including Chad, Guinea and Cambodia to name just a few, relief remains all too unfairly distributed. Yet, you made a difference, through action, prayer and giving; you made vaccine equity that much more of a possibility.

As the year turned towards its final months, we were humbled by the stand you took with your brothers and sisters in places hostile to the gospel in North Africa and the Middle East. By sharing the BMS *I Will Stand* Harvest appeal in your churches, you helped raise enough to help provide Bibles for people who've never heard the gospel before, deliver Bible training to new believers, and support church planters as they share the Word of God.

And then when Russia invaded Ukraine in February, you stood like never before to the Baptist response across the region. Through our partners on the ground in Donbas, you were supporting humanitarian aid projects long before the devastation made it on to our news bulletins. This on-the-ground preparedness and strong network of Baptist churches shaped the speed and effectiveness of our help in those vital first weeks. Our prayers remain constant for peace to prevail.

Last but by no means least, we thank our supporters for journeying with us in often uncertain and unpredictable circumstances, and for encouraging us so often. It goes without saying that none of our work this past year would have been possible without the wonderful financial and prayer support of UK churches and Christians.



A stylized, handwritten signature in black ink, appearing to read 'Kang-San Tan'.

Dr Kang-San Tan
General Director, BMS World Mission

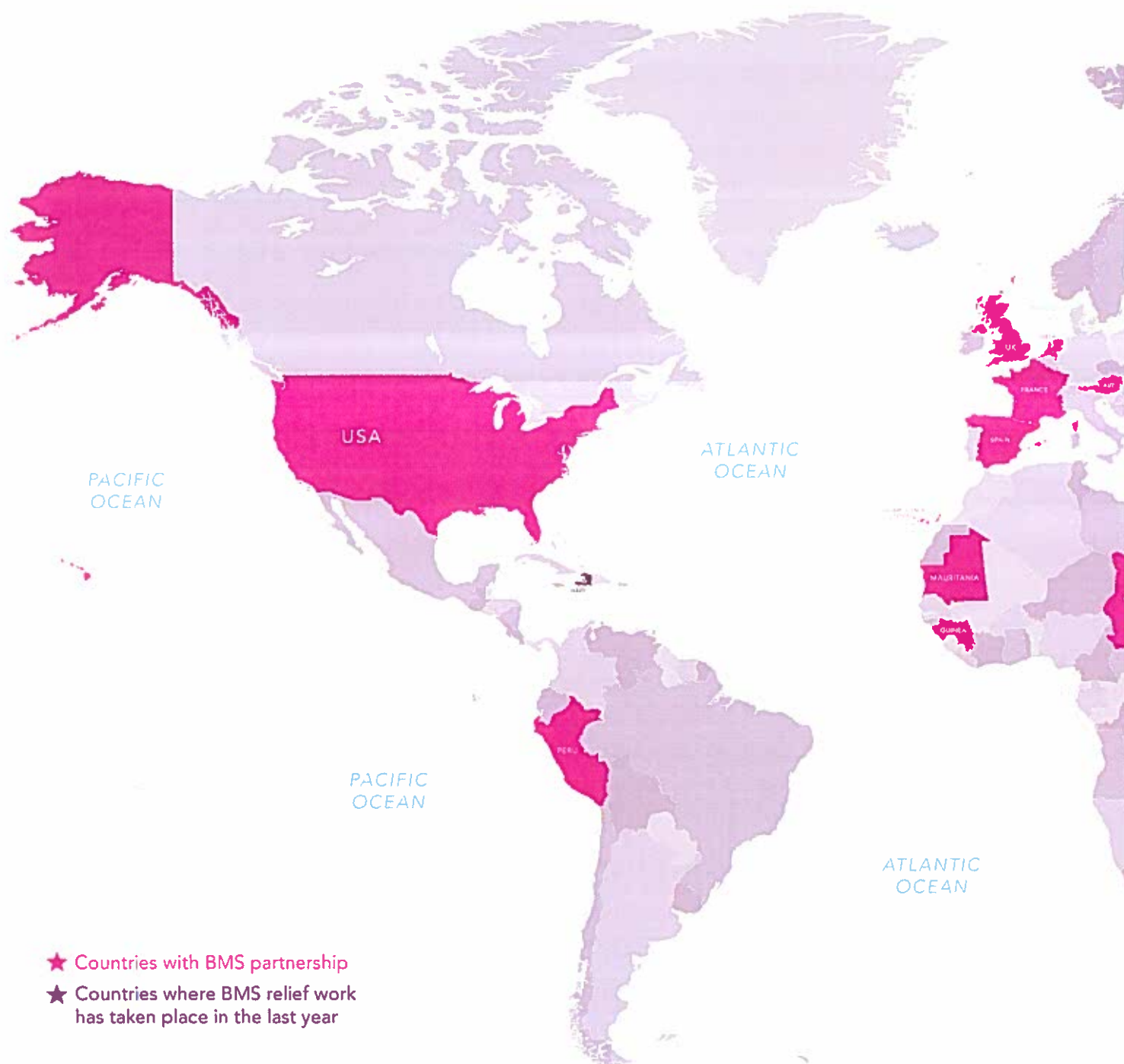


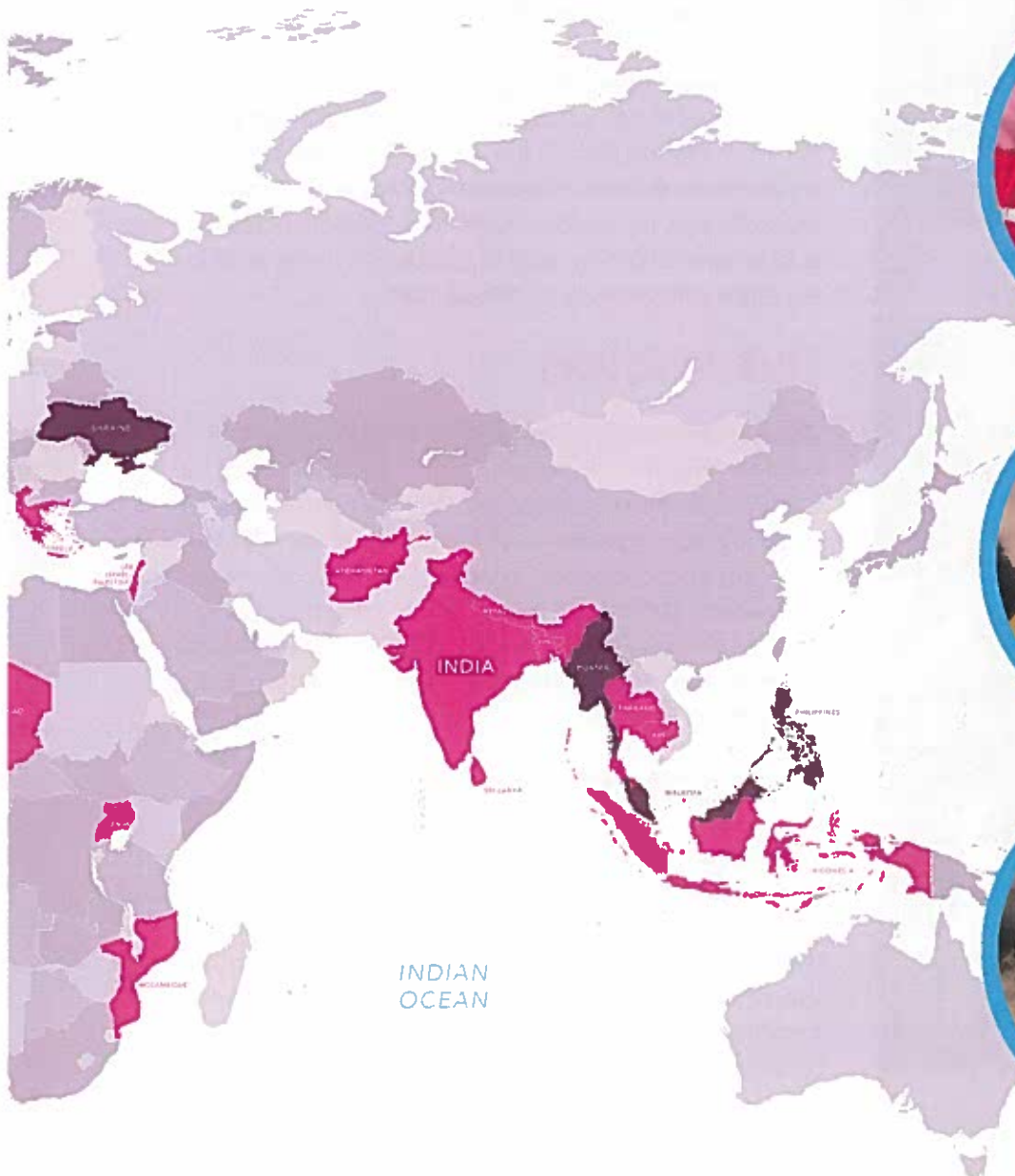
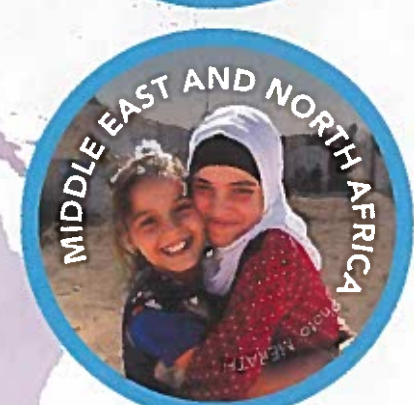
A stylized, handwritten signature in black ink, appearing to read 'Marc Owen'.

Rev D Marc Owen
Chair of the Board of Trustees

WHERE WE WORK

In over 30 countries across four continents, from cities like Dhaka and Paris to some of the most remote places such as Bardaï in Chad or Nauta in Peru, we tackle injustice and suffering in desperate spaces.





We share the good news of Jesus where it's never been known before. We walk with refugees and those forced to leave homes. Our mission is to reach the most marginalised, least evangelised and people on the move.

OUR OBJECTIVES

OUR VISION

Our call is to respond to a troubled and changing world with the surpassing love of God and the hope of abundant life in Christ. We believe that God's will is that no-one should perish and that every human being should have the opportunity to come to a saving faith in our Lord Jesus Christ. This is our highest goal.

We believe that suffering and injustice are not God's perfect will for all creation, and that we must pray and act to make abundant life available to those to whom it has been denied. We believe that this mission is most urgent in places where the gospel is known least and where suffering and injustice are most widely experienced and most deeply felt.

OUR MISSION

We are constantly surprised by the goodness of God in mission. The Holy Spirit is in advance of us and we struggle to keep up. As a Christian mission organisation, we aim to share life in all its fullness with the world's peoples by enabling them to know Christ; alleviating suffering and injustice; and improving quality of life with people as the primary agents of change, through motivating, training, sending and resourcing them.

OUR STRATEGY

We aim to make real our vision and mission through our primary commitment to partnering with the Global Church to grow local mission movements. Through these partnerships we aim to bring transformation to the most marginalised, the least evangelised and to people on the move. You can read more about these three areas of ministry focus over the following pages.



**" May the God of hope fill
you with all joy and peace
as you trust in him, so
that you may overflow
with hope by the power
of the Holy Spirit. "**

ROMANS 15: 13





Photo: BMS is bringing the love of Christ to classrooms in Peru and across the world.

MINISTRY THEMES

As a 230-year-old international mission agency rooted in the missionary movement of the 18th century, we affirm our calling to abundant life in Christ for the world. Just as those that travelled before us, we believe that suffering and injustice are not God's will for people nor for the whole of creation. And central to our Kingdom vision, we believe that God's will is that no-one should be denied a chance to respond to the gospel.

It is for those reasons that we are called to focus our energy, our resources and our prayers on three specific areas of need in the world: the most marginalised peoples, the least evangelised peoples and people on the move. As BMS founder William Carey faithfully pioneered in a previous Kairos moment in 1792, this is the moment in which BMS must not just adapt, but rapidly evolve. BMS must contribute and help shape pioneering initiatives in a fast-changing but still profoundly broken and fearful world.

MOST MARGINALISED

We tackle the injustice and suffering of the deeply disadvantaged in desperate places. We work to see the flourishing of those with the least opportunities, who are furthest behind and are the most excluded.

LEAST EVANGELISED

We share the good news where it's never been known or rarely been heard. We are called to go to people living in the hardest-to-reach and the least evangelised places, predominantly countries where less than five per cent are Christian.

PEOPLE ON THE MOVE

We walk with those forced to leave home, in a time where more people than ever before have been displaced – whether within their own countries or having crossed borders. This unprecedented displacement is a sign of the world's fragility.



Photo: More children have been brought safely into this world thanks to BMS-supported birthing training in Afghanistan.



Photo: BMS medical worker Kabbassou saves lives at Guneber II hospital in Chad.

MOST MARGINALISED

We tackle injustice and suffering in desperate places through the sending of contextually skilled mission workers to places and partners in the world's poorest countries. As surgeons at an understaffed, underfunded hospital in Bardaï, a remote region in the north of Chad, Andrea and Mark Hotchkin are a great example of this type of work. We build capacity and create scale not on our own but through partnerships with established and trusted local agencies. In Nepal, we work alongside the Multipurpose Community Development Service who come alongside villages to improve all aspects of life, including health, sanitation, water management and education. We work with local churches who are best placed to bring to life and long-term community transformation. In Bangladesh, mission workers Louise and Peter Lynch partner with the Bangladesh Baptist Church Sangha (BBCS) to respond to places with the greatest need. They create programmes designed to help both in the present and future, such as providing waterproof bags to schoolchildren in monsoon-hit Rangpur District.

FACT FILE



Number of community members benefitting from the delivery of services in the poorest 25 percent of countries: **54,614** (target 50,000)



Number of service workers receiving professional skills training: **4,814** (target 2,000)



Number of conventions trained in the mitigation of disaster relief: **5** (target 2)



Number of people trained in Church and Community Mobilisation (CCM): **93** (target 300)

If you haven't heard of leishmaniasis before, you're not alone. Neither had anyone in Bardai, a desert community in northern Chad. No-one except BMS workers Andrea and Mark Hotchkin, who recognised the disease straight away when a 12-year-old boy was brought in to the hospital. Leishmaniasis is a disease that affects either the skin or internal organs and is restricted to the poorest parts of the world. It is not financially lucrative enough to attract the attention of most pharmaceutical companies. Now, thanks to the efforts of Andrea and Mark, the involvement of the country's Ministry of Health and the World Health Organization, a national treatment plan is on the verge of being rolled out.

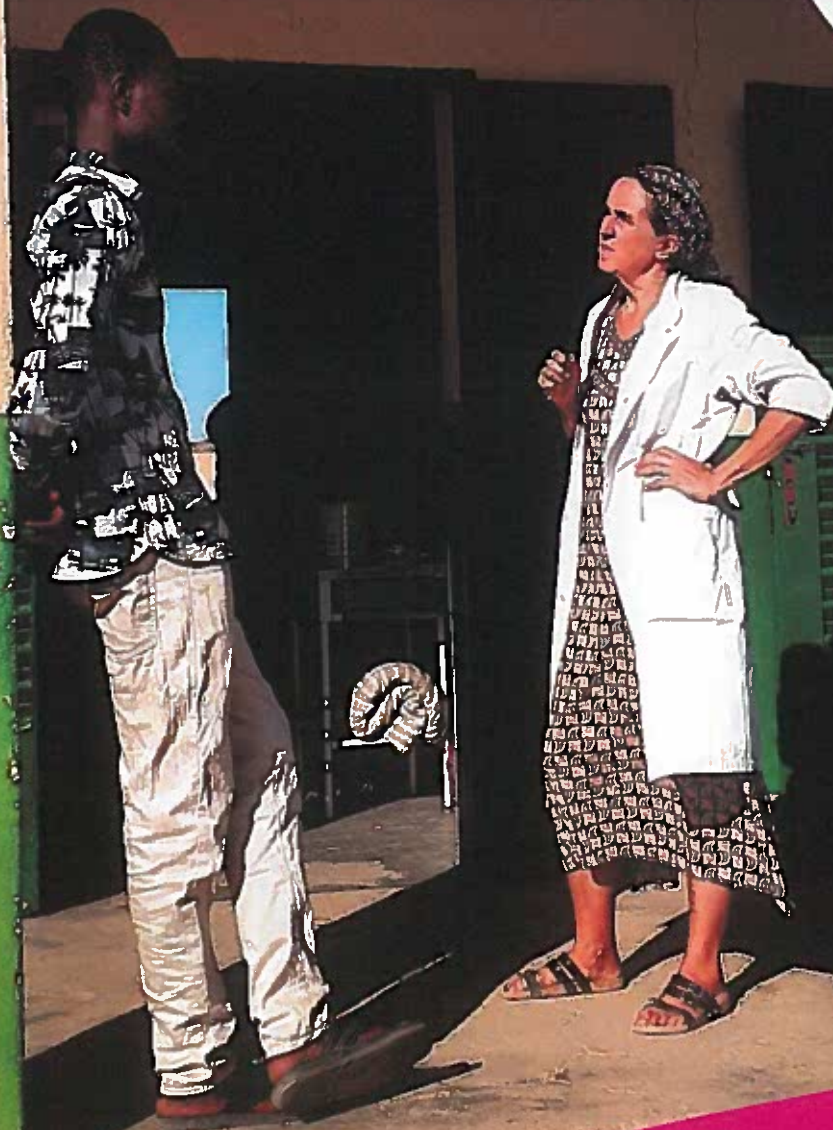
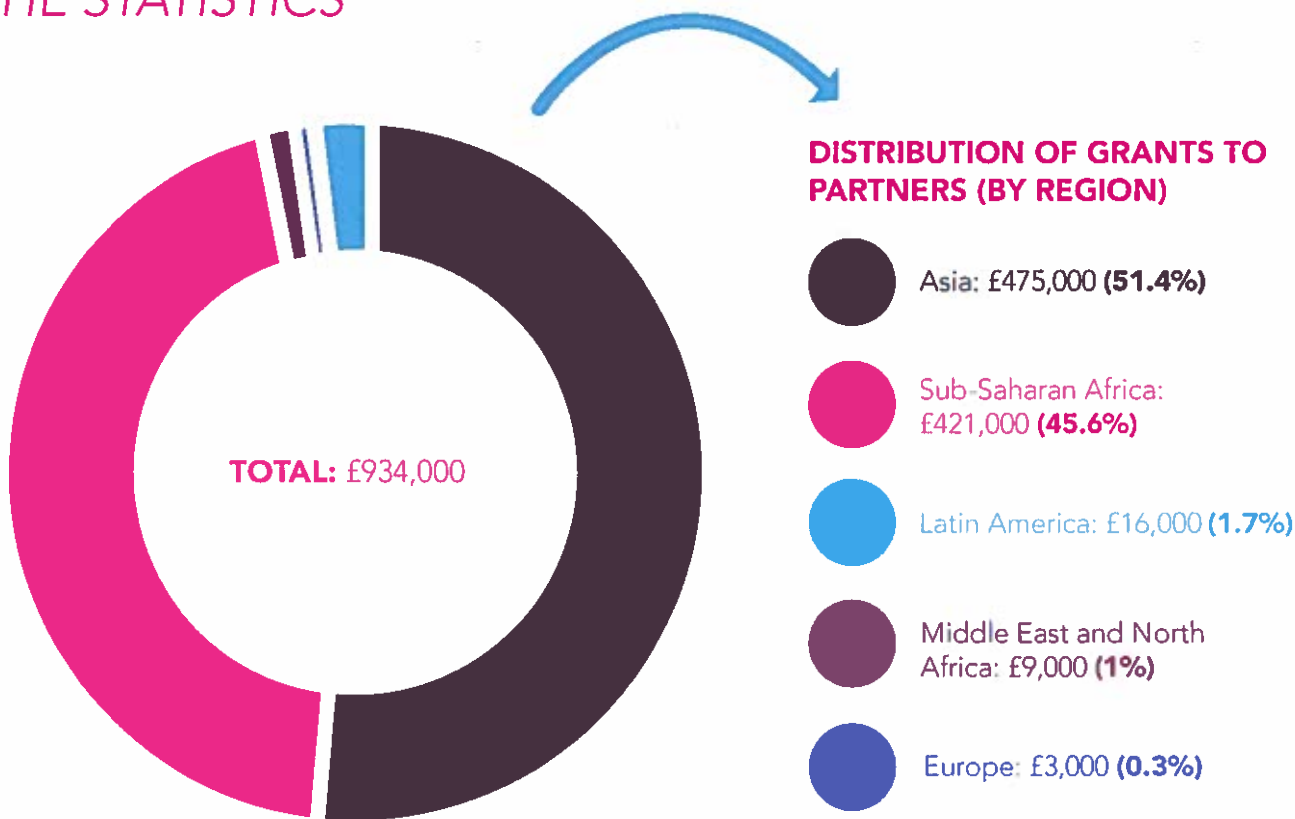


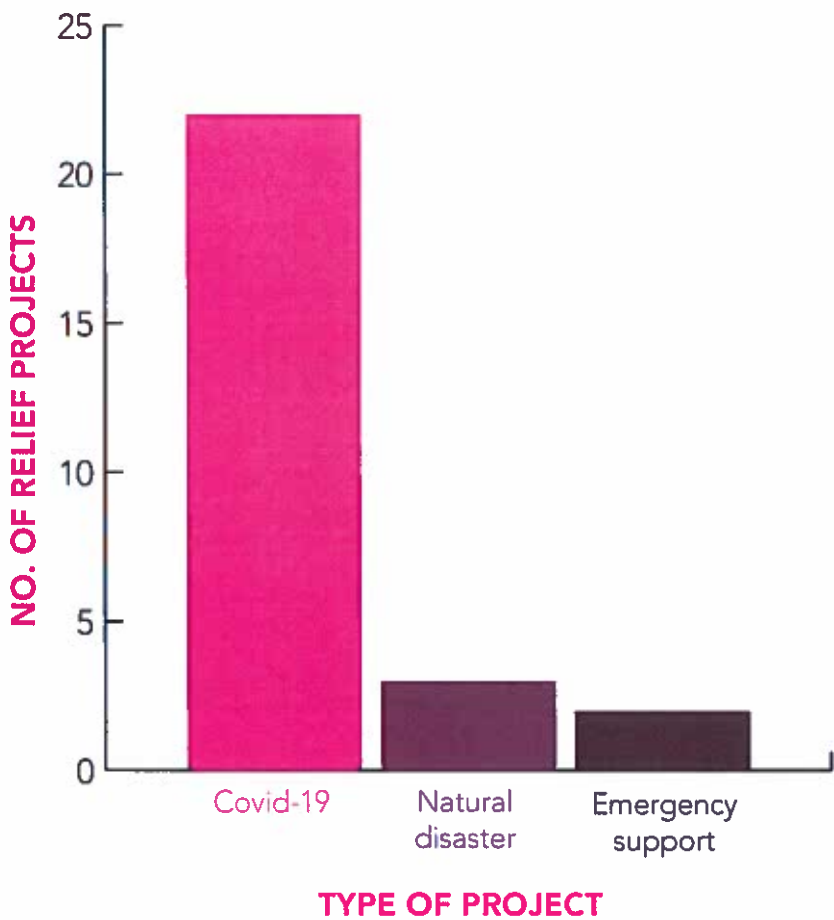
Photo: BMS surgeon Andrea reaches remote communities in Bardai, Chad, with vital healthcare.

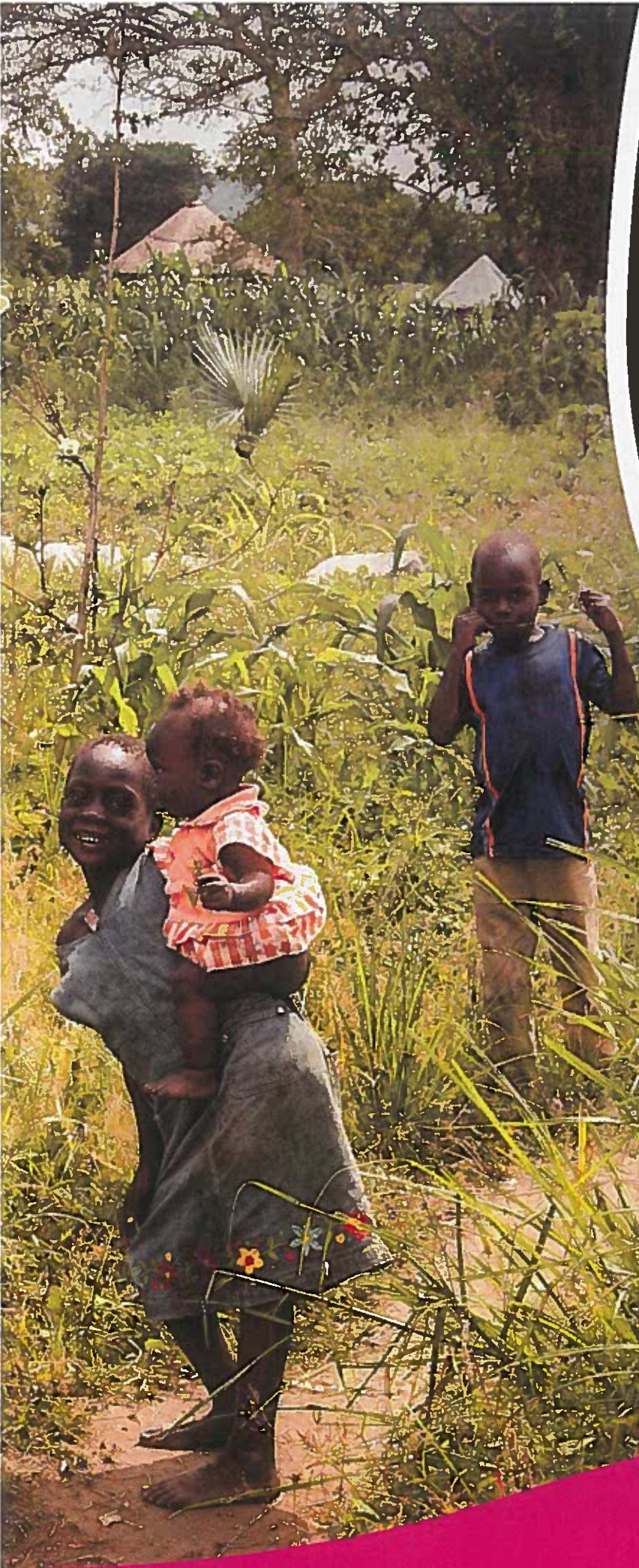
MOST MARGINALISED

THE STATISTICS



Alongside extensive Covid-19 work, BMS has been part of relief and disaster responses, including rebuilding schools in Haiti after the August earthquake, providing emergency support in D R Congo after the eruption of the Goma volcano and in Myanmar after the military takeover, and in Ukraine, where we support churches working in the war-torn Donetsk and Luhansk regions.





We are guided by the book of Proverbs to: "Speak up and judge fairly; defend the rights of the poor and needy" and it is by this that BMS partner, the Uganda Christian Lawyers Fraternity (UCLF), seeks to provide a voice to the unfairly disadvantaged. Among the 298 people who received legal advice last year, many were women often excluded from recourse to the law, including a woman from a village in Iganga District. Her husband had forced her and their three children out of the house when he wanted to marry another woman. UCLF conducted a mediation, with the outcome that the woman and her children kept the house.

Uganda

When Lucy realised that her two-year-old son Jeremiah wasn't hitting his development milestones, she was referred to BMS-supported worker Isaac's speech and language therapy clinic, the first of its kind in Gulu, Uganda. Within five months, Jeremiah was sitting up on his own. Now, a year and a half on, he's up on his feet, walking and dancing. Their next goal is working on Jeremiah's speech, in preparation for sending him to school.



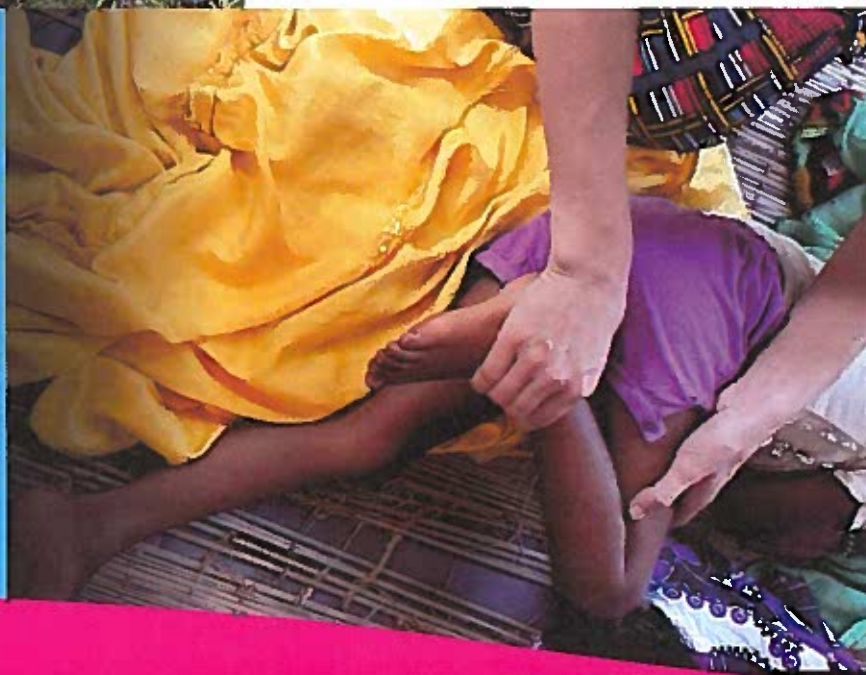
Bangladesh


When a pastor in Rangpur, Bangladesh reached out with his plan for keeping girls in school, BMS workers Louise and Peter Lynch, in partnership with the Asia Pacific Baptist Aid and the BBCS got to work. School bags, pens, paper and food packages were handed out to 160 children from six villages, with each family receiving a strong waterproof bag to keep precious items and documents safe during monsoon flooding.

Guinea

For six months, seven-year-old Diana* was bedridden with a life-threatening illness no-one could determine. She would normally have been at her kindergarten, run by BMS' partner in Guinea, learning, playing and hearing stories from the Bible. BMS worker Caroline* usually treats stroke patients and was 150km away. But thanks to online video calls, she could make a diagnosis and provide treatment. Two months later, they met in person with Diana able to walk with the aid of her mother.

**Name changed*



A photograph of a woman with dark skin and short, curly hair, smiling warmly. She is wearing a grey cardigan over a purple top. She is holding a young child with dark skin and short hair. The child is wearing a white polo shirt with blue and black horizontal stripes and a small logo on the chest. The background is a blurred outdoor scene with green trees and a path.

"Speak up for those who cannot speak for themselves, for the rights of all who are destitute. Speak up and judge fairly; defend the rights of the poor and needy."

PROVERBS 31: 8-9

LOOKING FORWARD >>>

Alongside our partners, we continue to provide strong transformative projects and mission work to many of the poorest countries in the world. We will continue to do so, but less through an institutional model and more through increasing the capacity of these local partners so that they can develop sustainability and resilience.

Church and Community Mobilisation (CCM) remains key. Now CCM structures are in place, increased capacity to roll-out training, particularly in Nepal and India, will see us in-line with five-year targets.

Photo: Grace is confident about her son Ephraim's future after taking him to a BMS supported speech and language clinic in Uganda.

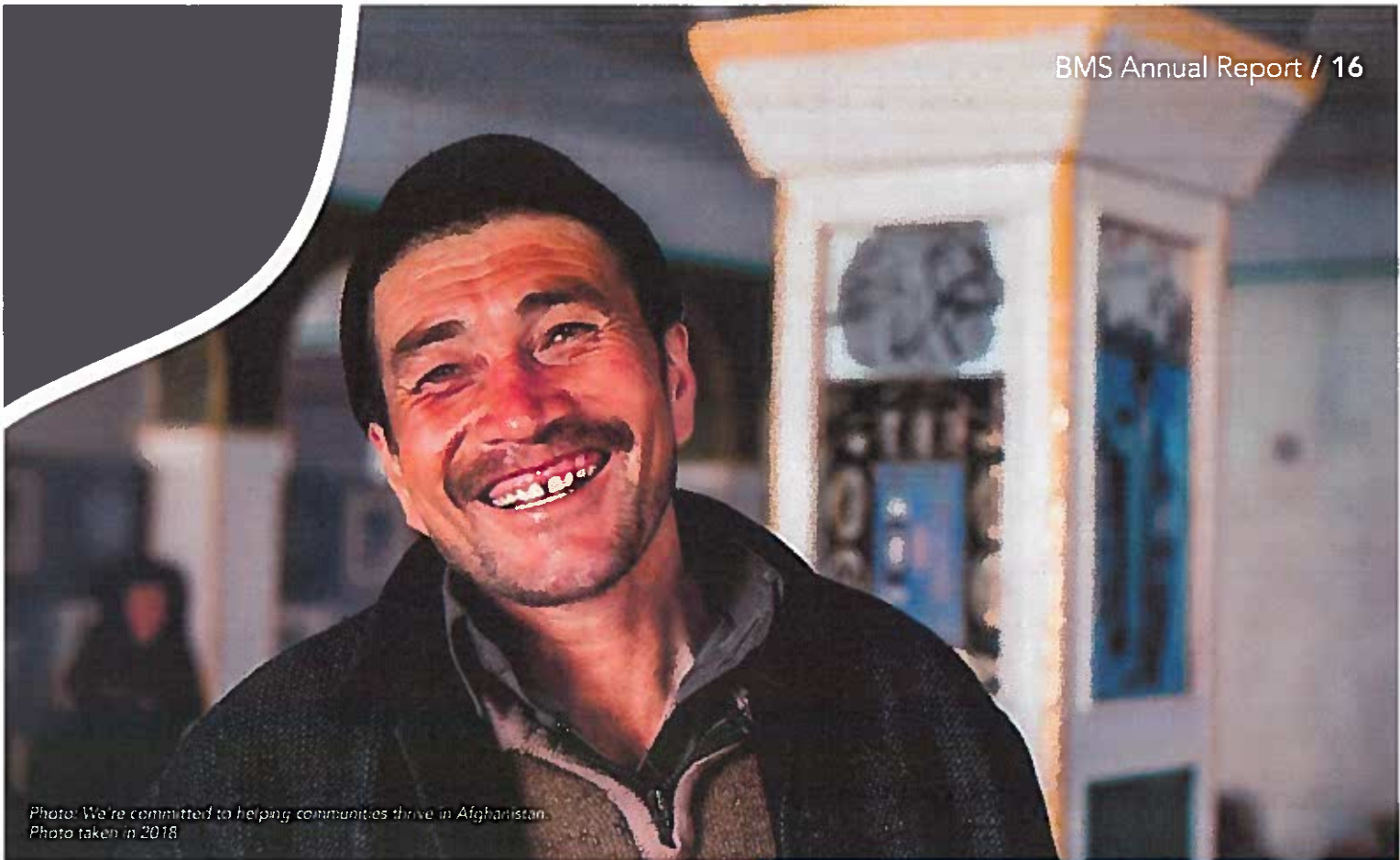


Photo: We're committed to helping communities thrive in Afghanistan.
Photo taken in 2018

LEAST EVANGELISED

In the places where the gospel has never, or hardly, been heard, we will use all we have learnt over the decades to train mission workers to break ground in those hard-to-reach places. We will send people from all directions in all directions. Alongside UK mission workers, we will co-send Global South workers within areas where the need is greatest, in ways that most fruitfully suit the context. Across Asia, we have collaborated with partners towards establishing a mission hub in India, which will recruit and train mission workers to be co-sent across the region. In North Africa, we remain in an exploratory phase, both in terms of building sustainable partnerships and in our approach to training and sending people into such volatile and sensitive areas. In countries we call barren soil locations, which include Afghanistan and Guinea, we aim to ensure an incarnational presence where the Church is scarcely present.

FACT FILE



Number of people participating in churches and associated networks: **103,877**



Number of mission workers and supported partner workers: **111** (target 150)



Number of fellowships established by church planters in the 'Green Window'*: **246** (target 37)

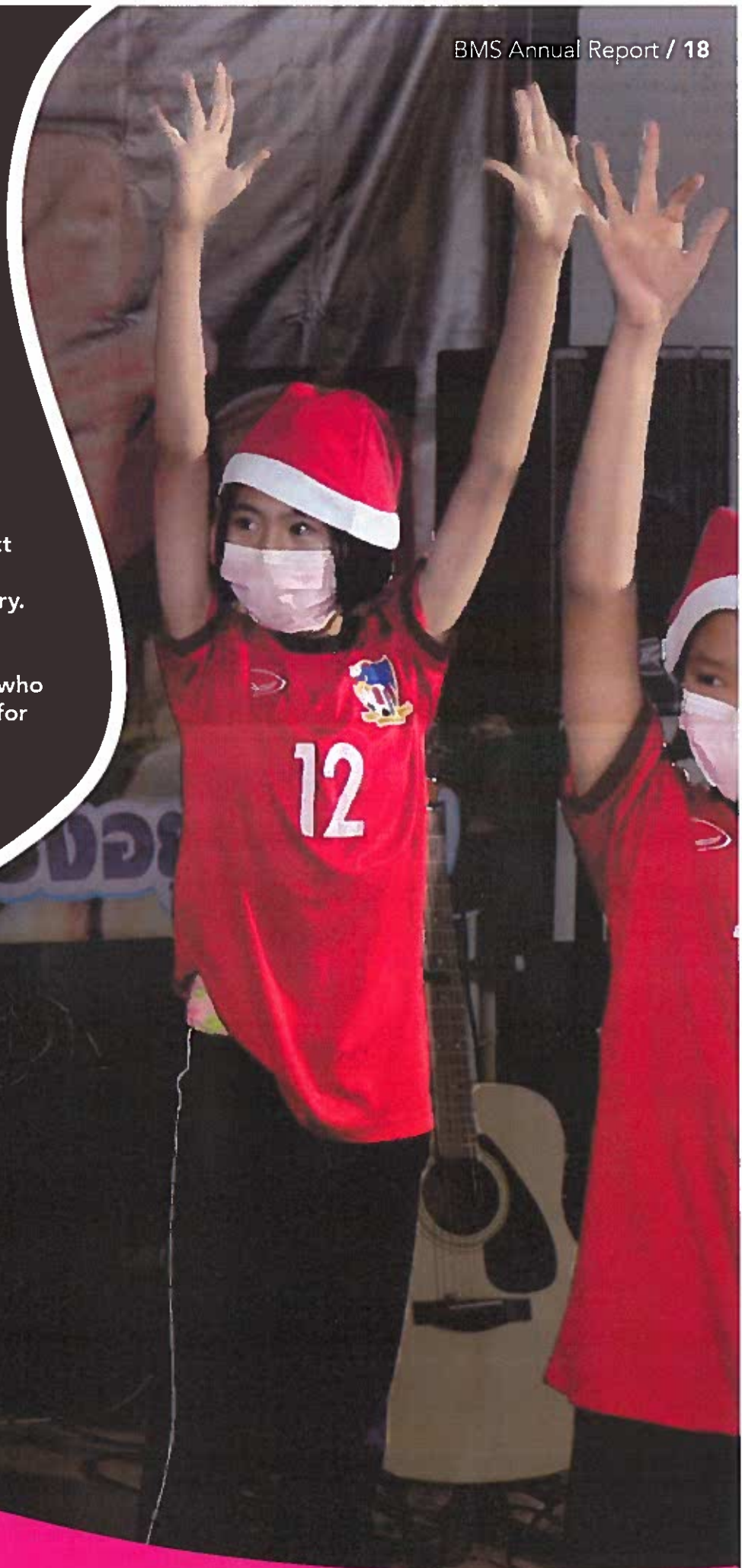


Number of mission workers placed in barren soil locations: **13**

**Tribal areas where less than 5 per cent of the indigenous population is Christian*

Fisherman Rocky Baroi is 39, married, a father of two girls, born in southern Bangladesh and with no church in his life. One night while out fishing, Rocky's boat sank and he cried out to Jesus. Nearby fisherman rescued him from drowning and changed Rocky's life. In February 2005 he was baptised and felt called to ministry. Rocky first studied at the BMS-linked Christian Disciple Training Center in 2009 and returned in 2021 to gain a theology degree. Now, Rocky teaches the children in his local church, and trains others how to plant new churches in a new place. At present, three churches and five house churches have been established by Rocky's associates, and he continues to "preach the gospel where the people do not yet hear the good news."

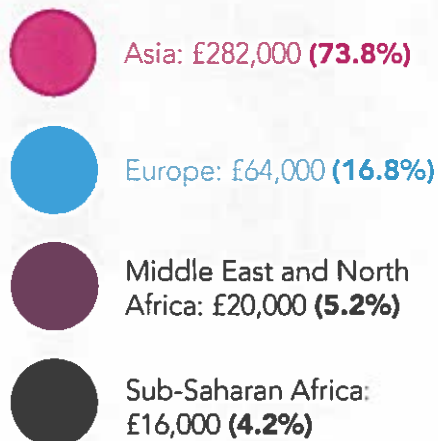
P thought that being a woman meant that she couldn't lead or teach the Bible. That all changed when she came into contact with the sports ministry at the Thai Karen Baptist Convention in Chiang Mai, Thailand. And while P discovered she wasn't so good at sports, she uncovered a hidden gift for cultivating discipleship among those around her, particularly children. When she returned to her church, she used the sports skills she had learned to connect with the young people and to tell them more about God's story. P discovered that she could be a spiritual mentor and a person who they trust. Those children who were once shy, now come to P for guidance. As P told us, "I thank you God that he has blessed me in my service with the children."



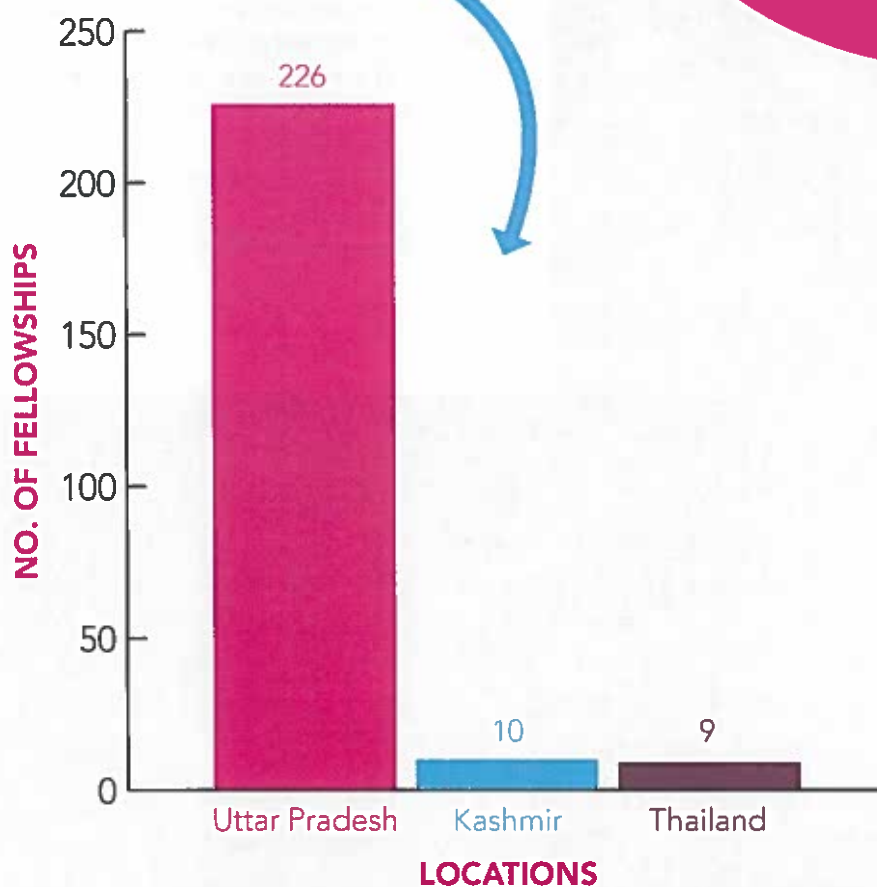
LEAST EVANGELISED

THE STATISTICS

DISTRIBUTION OF GRANTS TO PARTNERS (BY REGION)



FELLOWSHIPS ESTABLISHED IN THE GREEN WINDOW



The Green Window is the rainforest zone of the world. In these green areas there are tribal people groups who have never heard the gospel. There are more than 167 countries and territories and an estimated 2,200 ethnic groups within this broad window. Green Window countries where BMS has a presence include Peru, India, Mozambique and Thailand.

Indonesia

In partnership with the Asia Pacific Baptist Federation and in collaboration with other partners in the field, we have been part of a project to equip and co-send a mission worker into a particular unreached people group in one of the most persecuted areas of Indonesia. A recent visit by one of our partners saw them return with a positive survey as to the future mission development potential of this once hard-to-reach place.



Chad

Andrea and Mark Hotchkin (introduced on page 8) live simply in Bardai in a style just like the local Teda population. Although they differ in one crucial respect. Among the Teda population, increasing numbers have taken a 'house help' from another part of Chad, who are often treated as barely more than slaves. The Hotchkins have decided not to have a house help. Instead, as known Christians, they wish to demonstrate that in Christ there are no first-class and second-class people groups, and that God places equal value on all.

India

Ranjeet Singh from Jammu in India, was addicted to alcohol. His Sikh family despaired of his drinking habits, which left them in poverty. One day his family invited a church leader from one of our partner organisations over. He showed them The Jesus Film. Ranjeet was watching too in the background and when he saw the crucifixion of Jesus he began to cry. After the film the church leader talked with Ranjeet and told him of a God who loves him. A fellowship has started in his home with 15 to 20 people attending every Friday for worship.



"For God so loved the world that he gave his one and only Son, that whoever believes in him shall not perish but have eternal life."

JOHN 3: 16



LOOKING FORWARD >>>

As we seek to establish more mission hubs across Asia, we are looking to build on the interest we have attracted from other agencies who have begun to see the value of our co-sending approach. In Latin America, we have established a Peru-based hub in collaboration with local partners, which is intended to be fully operational in 2022. The hub will send mission workers to locations categorised as 'least evangelised' around the continent and will also have a limited focus to gain access to indigenous populations.

Our work looking to gain a foothold in North Africa remains an ongoing struggle, which we believe speaks of the difficulty in transforming lives in that area. We have hope that links we have made with disciple-making movements in other areas of the continent may prove fruitful over the coming year. Meanwhile, we are excited that three long-term mission workers have completed their training and are now destined for hard-to-reach locations.

Photo: BMS supported workers like Pastor Amílcar are supporting church leaders as they bring the good news to communities along the Peruvian Amazon.



Helen Mansun for
World Renew

PEOPLE ON THE MOVE

We walk with those forced to leave home. There are many reasons for flight, including war, conflict, persecution, natural disasters, deep-set destitution and repression. Our mission workers and partners have seen examples of all of them. The UNHCR estimates that 82.4 million people worldwide are displaced, whether internally or having crossed borders. That number has never been higher.

We aim to counteract this fragility by: improving services in their origin countries; establishing partnerships of humanity in places of transit; and enabling networks of Christian welcome in destination countries.

Our hope is that as we contribute to the flourishing of communities in the poorest countries, that transformation will offset the need to undertake hazardous journeys to Europe and the ensuing vulnerability to exploitation. We are also realistic, and a key part of our capacity-building work in 2021 has focused on drawing on our experiences in Lebanon to inform our future 'in transit' work, particularly that based on the Greek island of Lesbos.

FACT FILE



Number of refugees who have received training in vital skills for 'destination' life: **315** (target 320)



Percentage of BMS-enabled refugees receiving adequate shelter and safe water: **100** (target 90)



Number of people trained to reach refugees through the collaborative networks: **200** (target 96)



Number of refugees reached in destination countries: **9,866** (target 2,000)

Greece

Our partner in Lesbos created the Living Timber project, which serves as a place men from the Mavrovouni refugee camp can work together on furniture building. One day, an Afghan man was building some chairs. He began sharing about his life in Afghanistan and his family's needs in the camp. Though our partner does not distribute clothing items for men, one of our workers accompanied him to non-governmental organisations who did.

As they returned to the centre, the Afghan man asked why the worker would take time out of his day to help him when it wasn't "part of his job". In answer, the worker shared about his faith. They continued to talk and the worker was able to share about the teachings of Jesus.



International

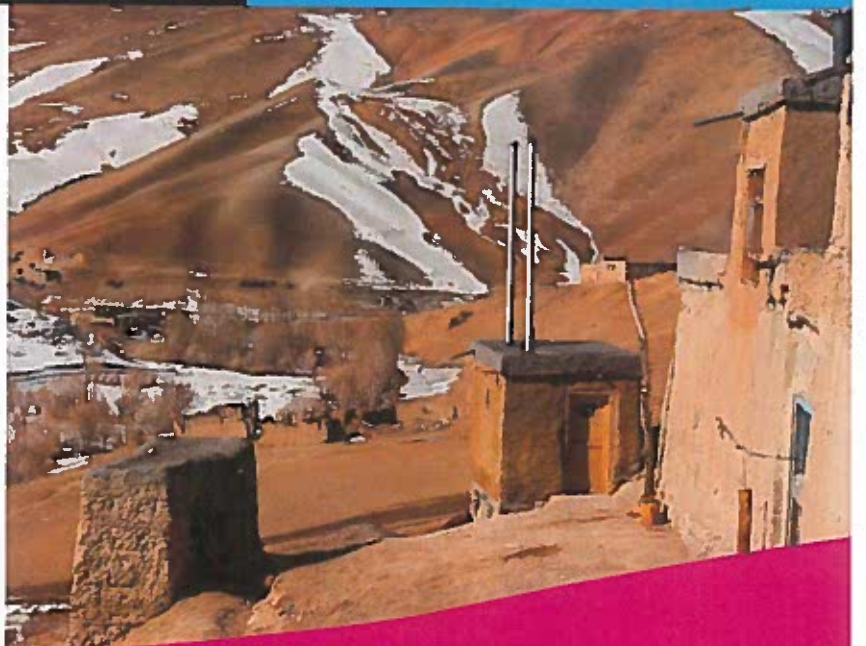
After an international search, which we conducted in partnership with the European Baptist Federation (EBF), Will Cumbia was appointed as EBF's Co-ordinator for Migration Issues, a new role which began in March 2021. Funded by BMS, Will's job helps to expand the capacity of the Commission on Migration to network, resource and support Baptist work with and alongside displaced peoples in European destination regions. Will is originally from Virginia in the US, but had been working in Vienna for the past four years supporting the refugee integration work of the Austrian Baptists.



Afghanistan

As part of building up communities in fragile countries, and before the evacuation in August 2021, BMS mission worker and agricultural expert Ruby* created a 'food forest', with apple, pear, plum and walnut trees. Up in the rural mountains of Afghanistan, where the winter snow melt can mean the difference between having enough to eat in the spring, or utter despair, the forest attracted the attention of families in the surrounding villages, coming to ask about how to look after fruit trees, feed and prune them.

**Name changed*

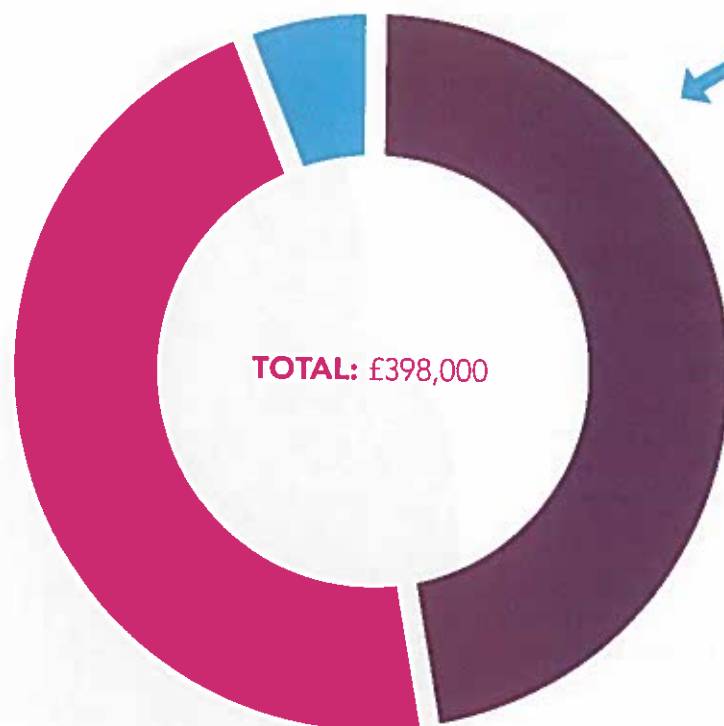




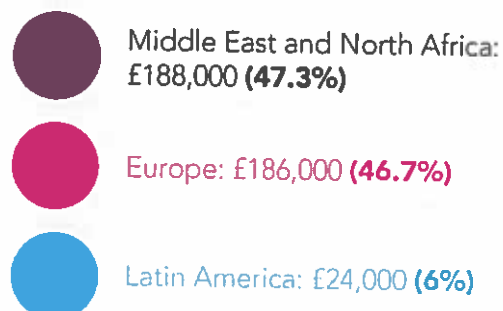
In a year of continued catastrophe, our long-standing partners in Lebanon have come alongside local churches to help them implement relief projects for vulnerable individuals and families. Families like that of Imane, a Syrian refugee in Beirut. "The food prices are out of this world," she says. But thanks to the voucher she has received from the church, "I was able to buy many things I couldn't afford anymore." The church has also provided Imane, and others like her, with hygiene kits and provisions to help them survive a harsh winter. Imane tries to help other families now by sharing what she receives, "because I know now what it is like to have nothing." She has even been able to witness to her landlord, who once tried to evict her. "I introduced him to the church, and they have been helping him."

PEOPLE ON THE MOVE

THE STATISTICS



DISTRIBUTION OF GRANTS TO PARTNERS (BY REGION)

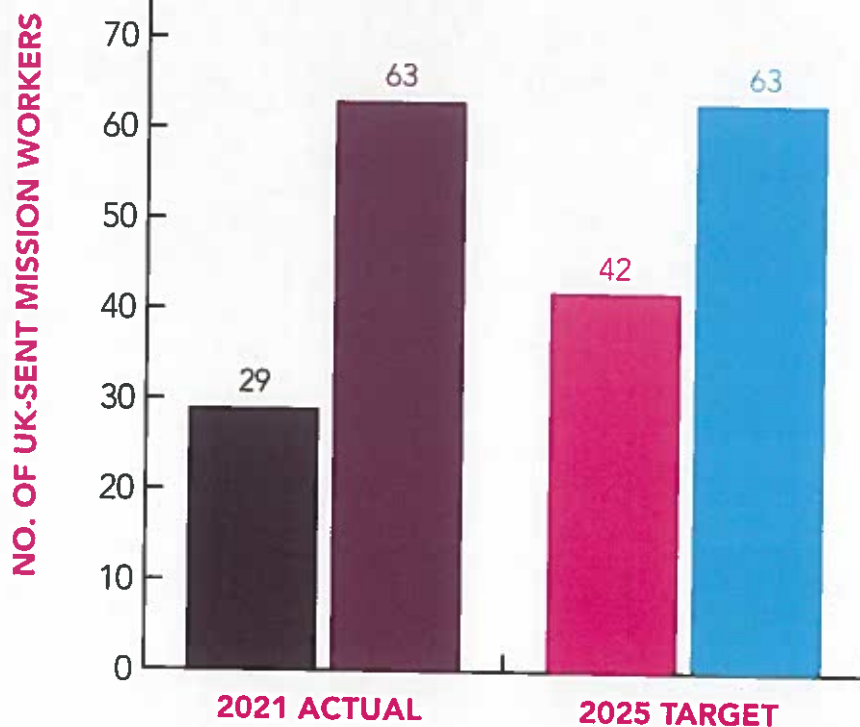


LOOKING FORWARD >>>

While 2021 was year of partnership building for our 'in transit' work, especially with our Lesbos-based partner, Russia's invasion of Ukraine in February 2022 already has and will continue to have a major impact on our crucial work with refugees.

A significant element of our strategy is to train networks of people to be sent to work amongst migrants in their destination context. With over 4 million refugees already created by the war in Ukraine, our partnership with the European Baptist Federation and work developing our involvement with two well-established refugee response networks, this aspect of our work will achieve an importance beyond what we could have envisioned.

NO. OF MISSION WORKERS IN POOREST QUARTER-PERCENTILE COUNTRIES



GENDER JUSTICE

I am passionate about my newly created role of Gender Justice Co-ordinator and being a voice for the voiceless, inspired by Proverbs 31: 8, "Speak up for those who cannot speak for themselves, for the rights of all who are destitute." I would love to see a global team of advocates empowered to speak up and act against the injustices we see all around us, seeking to transform the lives of women and girls in all spheres. These champions of change are agents within their own, distinct communities. This fills me with hope and renewed passion to challenge the unjust status quo.

Jesus treated the women he encountered with dignity and respect, which was radical for his time and sadly remains all too radical in many parts of the world today. As a central part of my role, I will hold BMS to account as we continue to integrate our Gender Justice Framework into all areas of our work, from reviewing the roles of women within our partners to mentoring women leaders and supporting our mission workers to navigate gender issues in different contexts. I feel my background as a Ugandan lawyer with experience working in my home country, Mozambique and now in the UK has prepared me for the many challenges of this exciting role.

Annet Ttendo-Miller
Gender Justice Co-ordinator



EMERGING LEADERS

**"And David
shepherded
them with
integrity of
heart; with
skillful hands
he led them."
Psalm 78: 72**

BMS is committed to equipping, training and mentoring partners across the world to help develop their emerging leaders. These include BMS-supported workers Baptist John Jaya Prakash for India and Koffi Soké Kpomgbe for Africa, who are the regional leaders of the Baptist World Alliance 'Horizons' training programme for youth and children's work. Back in the UK, we have a long-standing relationship with All Nations College, an interdenominational mission training Bible college validated by the Open University.

Further afield, we have collaborative learning and training partnerships with the International Baptist Study Centre in Amsterdam through their Learning Network programmes in Missional Leadership and Freedom of Religion and Belief. Alongside this, our India Sending and Training hub brings together our work with the Institute of Vocational Excellence, Biglife in India and Asia Pacific Baptist Federation.

CREATION STEWARDSHIP

"For in him all things were created: things in heaven and on earth, visible and invisible, whether thrones or powers or rulers or authorities; all things have been created through him and for him."

Colossians 1: 16

BMS, through the appointment of Laura-Lee Lovering as our Creation Stewardship Co-ordinator, acknowledges the importance that in all our work in every location we must love God through honouring his handiwork. And to love God we must love our neighbour; in the words of Laura-Lee, "We all depend on the same planet, so our choices have consequences for others, our choices also have a dimension of justice. The climate crisis is the warning that our choices are ever more critical, the consequences ever more global.

"Climate change is a threat multiplier, it takes all the other issues that we already care about (poverty, hunger, lack of education, healthcare resources, gender justice, displacement of peoples) and it makes them worse.

"The climate crisis is also a symptom of a long-standing fundamental problem with how human beings consider themselves in relation to the natural world and one another. These are relationships corrupted by sin – but we know, by the grace of God, that they don't have to stay that way, which is why we all do what we do, right?

"Certainly when I reflect on it as a Brit living in Peru for the last ten years, is it convincing that the cultural mindset that has been largely responsible for creating the environmental calamities we see now, can simply be re-directed to come up with the solutions? How we deal with, how we distribute and how we relinquish power requires a radical shift from what we think of the 'centre' to the 'margins'."

We are wary of unified narratives of creation stewardship and climate change because our experience in the world speaks against it at every level.

Even though socially and economically marginalised people are the first to be affected by environmental degradation and climate change, their voices are often the last to be listened to.

BMS' years of experience of not just being present but working alongside marginalised women and men allows us to be an instrument for centring the voices of those who are tangibly experiencing the disasters of the climate crisis. It allows us to pass on the call to action to all of us who are not yet affected.

Laura-Lee Lovering
Creation Stewardship Co-ordinator



CELEBRATING SUPPORTERS

Nothing that featured over the last 29 pages could have happened without the incredible financial and prayerful generosity of UK churches and our supporters. From the small quiet prayer at your desk when a story of transformation drops into your email inbox to a fundraising event involving the whole church community, it all makes a difference. We are constantly surprised and inspired by the tales that reach us of supporters' acts of kindness and sacrifice.

Perhaps no more so over the last year than when we learned of the escapades of 88-year-old Kenneth Hall. After hearing about the need for an x-ray facility at the hospital in Bardaï, Chad, Kenneth wanted to help. And so, on his indoor rowing machine, he set off to row 656km – the equivalent of the distance from Bardaï to the nearest x-ray facility in North Chad. He completed over 6,500 pulls on his rowing machine over three days and ended up raising over £13,000.

So many supporters came together after hearing our Covid-19 relief appeal for Nepal at the Baptist Assembly. We raised over £287,000, which went in part to support health workers like Chaha* to be equipped with PPE, portable vaccine boxes and fridges for storing vaccines – so they in turn could help others. In fact, because of our supporters' gifts and prayers, we were able to say yes to other partners in Nepal and from neighbouring countries who also desperately needed help.

We have been truly humbled and deeply blessed this year by those who have given a final gift in their will. This act of selfless love leaves a lasting legacy that will enable BMS' work for many years to come. Our legacy pack can be ordered from our website.

Alongside wonderful individuals, church communities have also sent us their stories. First, we heard from Prince's Road Baptist Church, who raised over £2,500 by encouraging the congregation to donate what they might ordinarily have spent on an Easter egg. Next, Kidlington Baptist Church shared with us their youth group challenge, which turned into a church-wide attempt during lockdown to walk the distance to Guinebor II hospital in Chad and back, all to raise money for BMS' Operation: Chad appeal. When the final step was taken, all who had participated managed to walk around 7,962 miles and raised over £3,400.

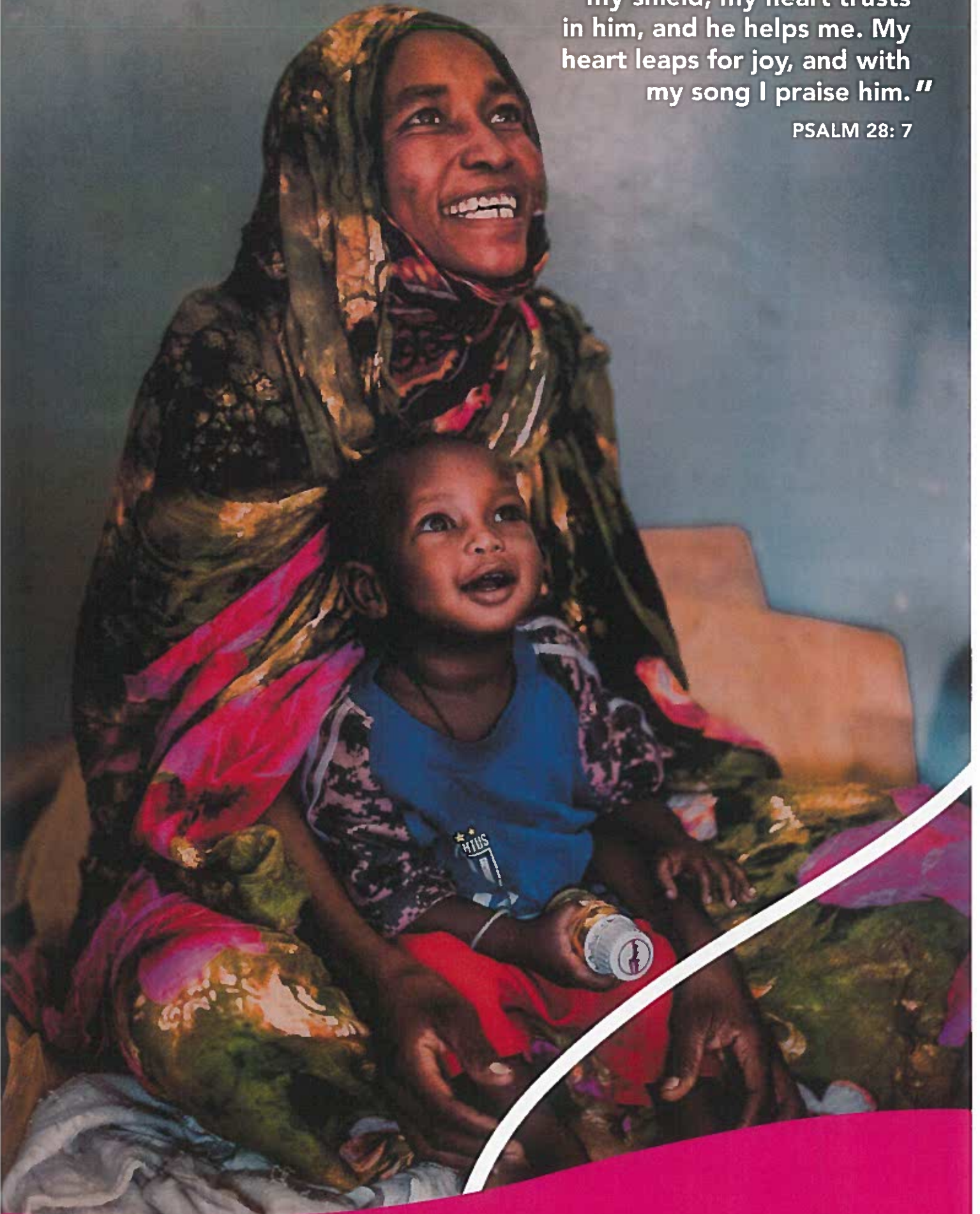
We know of many other such stories of faith-filled generosity and know too there may be many that we never hear about – or, when we do, we do so in the form of an answered prayer or an unmarked cheque. Our supporters make all that we do possible and for that we remain always grateful.

*Name changed

Photos top to bottom: BMS supporters have incredible hearts to see God's love in action across the world, from Chad to Peru, Bangladesh to Albania.

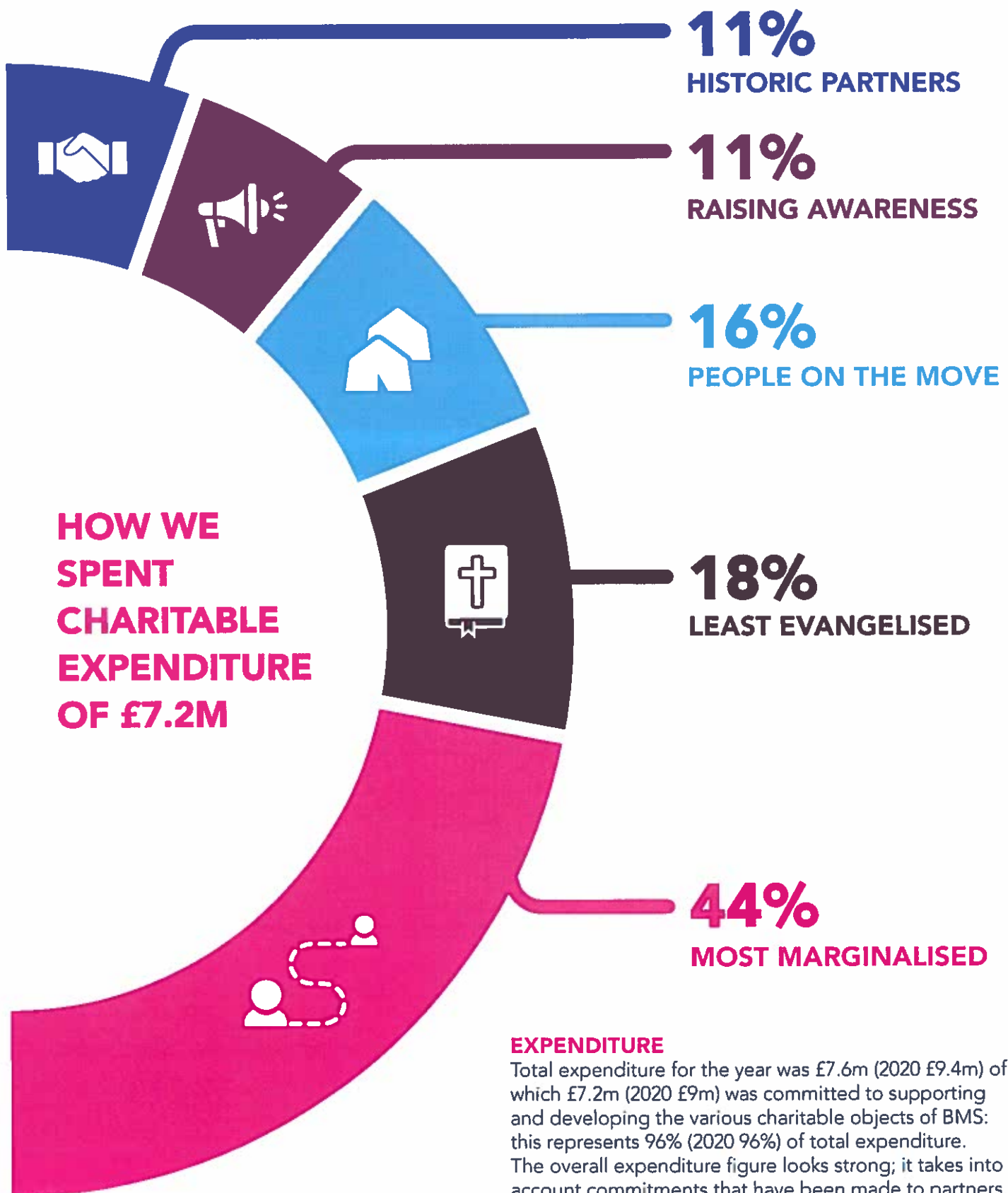
**"The Lord is my strength and
my shield; my heart trusts
in him, and he helps me. My
heart leaps for joy, and with
my song I praise him."**

PSALM 28: 7



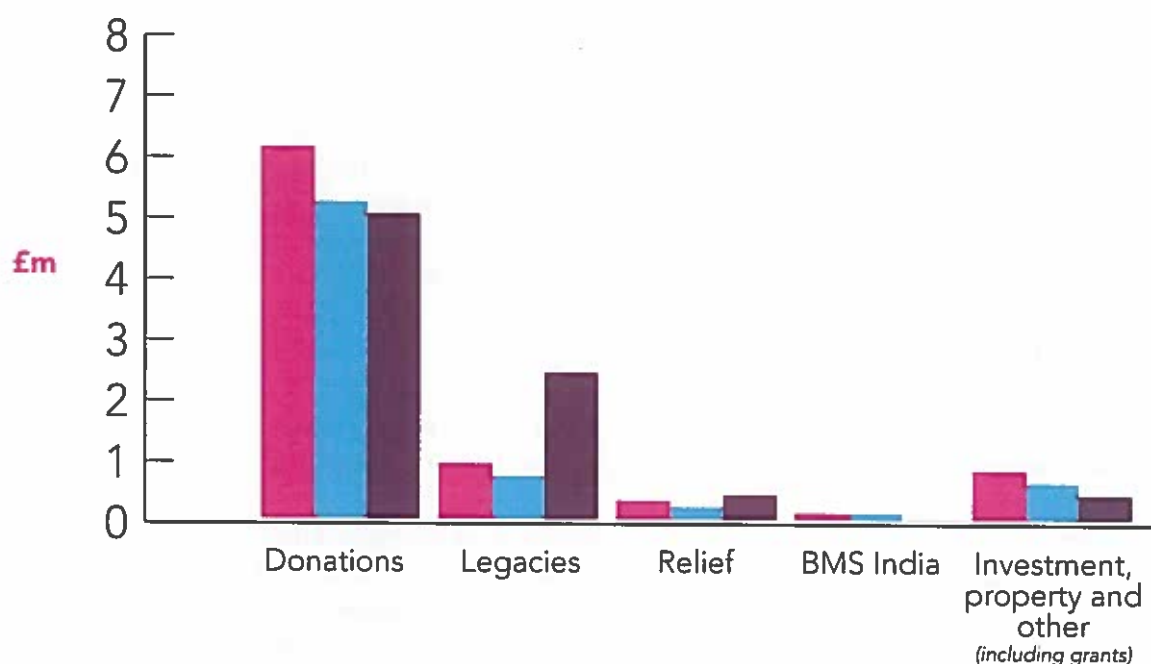
*Photo: The quality healthcare offered at Guinebor II hospital
in Chad brings hope to families living in poverty.*

ABOUT OUR FINANCES



EXPENDITURE

Total expenditure for the year was £7.6m (2020 £9.4m) of which £7.2m (2020 £9m) was committed to supporting and developing the various charitable objects of BMS: this represents 96% (2020 96%) of total expenditure. The overall expenditure figure looks strong; it takes into account commitments that have been made to partners, a number of which have struggled to take forward projects during covid restrictions.



CATEGORIES OF INCOME

The graph compares categories of income, and includes an annualised 2020 bar to compare 2021 with a 12-month equivalent for 2020. In a period when BMS was braced for income decline it has been an enormous tribute to churches who have sought to maintain or increase their donations, and in particular to individuals who have significantly increased regular and appeal giving including Covid, Operation Chad, the Beirut explosion and Christmas appeals.

Legacy income is usually determined by a small number of high value legacies. It is believed that in 2020 the figure was affected by delays in estate administration and the probate process, with these coming through in a particularly high figure in 2021.

BMS India income of £0.1m (2020 £0.1m) was primarily donations from visitors to the Kolkata guesthouse which has been closed for most of the last 2 years. Profits from the guesthouse are normally used to support initiatives such as Street Servants in Kolkata and in both 2021 and 2020 BMS India drew from its reserves to continue this work.

For the second year running the Action Team (gap year) programme was cancelled and the residential centre, Wallis House has been closed to most residential activities since March 2020. Grant income in 2020 included government funding from the furlough scheme.



Photo: A woman in Mozambique, where BMS supports projects in education, justice, and agriculture.

TRUSTEE REPORT

The Board of Trustee Directors (Board) 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 December 2021 (with comparative figures for the 14-month period to 31 December 2020).

The financial statements comply with current statutory requirements, the memorandum and articles of association, the requirements of a director's report as required under company law, and the Statement of Recommended Practice – Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS102.

Statement of Trustees' responsibilities

Trustee Directors (Trustees) are responsible for preparing the Strategic Report, the Annual 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.

Auditor

Following a routine review of audit services, Sayer Vincent LLP was appointed as the charitable company's auditor during the year and has expressed its willingness to continue in office.

The Trustees' Annual Report, including the Strategic Report, was approved by the Trustees on 23 May 2022 and signed on their behalf by:

David Marc Owen
Chair of Trustees
23 May 2022



OBJECTIVES AND ACTIVITIES

Charity objects and public benefit

BMS exists to see people brought to faith in our Lord and Saviour Jesus Christ and experience the abundant life that only he can provide.

This enables Baptist churches to respond to the call of God throughout the world in making known the gospel of Jesus Christ, to prevent and relieve poverty, sickness and human suffering caused by disasters overseas, and to promote and advance healthcare and education.

BMS brings public benefit by focusing on some of the Most Marginalised and Least Evangelised areas of the world, and with People on the Move who are displaced from their homes in these areas.

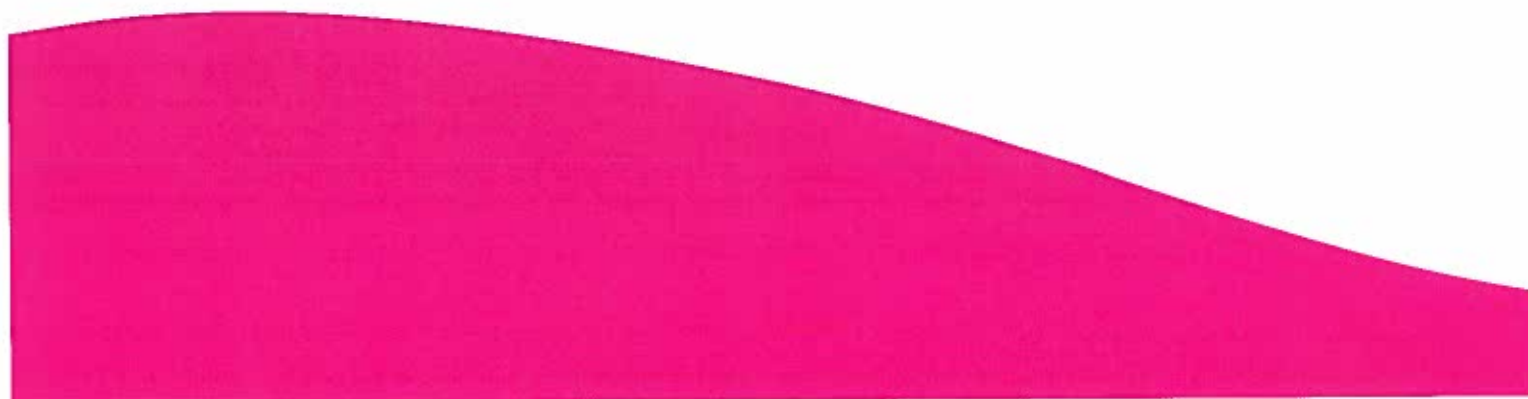
BMS works in places where churches are scarcely present, and in some of the poorest nations as defined by the Multidimensional Poverty Index (MPI). We work on service delivery through partners in the bottom quarter of the MPI where state and market are inadequately developed to support basic human resilience and flourishing, and working with partner churches towards community transformation, to meet localised gaps not covered by the state or market in the third quarter of the MPI.

BMS aims to support people with opportunity and basic services in locations that have a high refugee outflow towards Europe and is also developing work with transit refugees on the provision of basic humanitarian assistance.

The charitable work of BMS is funded by over £7m of public donations per annum (£8m in this period).

The trustees review the aims, objectives and activities of the charity each year. This report looks at what the charity has achieved and the outcomes of its work in the reporting period. The trustees report the success of each key activity and the benefits the charity has brought to those groups of people that it is set up to help. The review also helps the trustees ensure the charity's aims, objectives and activities remained focused on its stated purposes.

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives that have been set.



STRUCTURE, GOVERNANCE AND MANAGEMENT

1. Structure

BMS is a registered company limited by guarantee in England and Wales, and a registered charity in England and Wales. It is governed by its memorandum and articles of association.

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 - BMS 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 as an investment in Balance Sheet and details are included in Note 8b. BMS accounts for its share the service charge as charitable and share of the surplus as unrealised investment income.

2. Governance

The BMS Council are the company members of BMS. Council members will remain in office for a term of 3 years and may serve up to 3 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 normally meets at least twice a year. In 2021 meetings were held on-line in May and October.

Trustees are elected by the Council, will remain in office for a term of 3 years and may serve a maximum of 3 consecutive 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.

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 become familiar with the BMS. 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 designate one full day meeting each year specifically for relevant Board training and in 2021 this included an in-depth workshop exploring the implications of polycentric mission for BMS.

A Board Manual is used as a reference guide to good governance at Board level.



The Board has 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 has an action log to ensure continuous improvement against the Code's recommended practice. During 2021, following the 2020 update of the Code, the Board determined to engage a consultant during 2022 to add independent rigour to a review of practices.

Three committees have been constituted with specific terms of reference and functions delegated by the Board.

The Finance and Audit Committee – advises 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 and Wallis 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 – advises the Board of Trustees on the appropriate remuneration of the General Director and Executive Directors and their Terms and Conditions of employment. The Committee provides advice to the Board on staff grading structure, salaries and benefits.

The Nominations Committee – nominates people for appointment as Trustees. The appointment of a Trustee from amongst those nominated is made by Council members.

Safeguarding Trustee – a designated trustee has specific responsibility for oversight of safeguarding.

3. Management

Trustees are the governance-level decision makers for the charity. The Board currently numbers 10 experienced and committed people from a wide range of backgrounds and experience who usually meet in formal Board meetings 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).

Management of BMS is delegated to employed staff who are responsible for delivery of day-to-day operations to deliver the strategy set by the Trustees in accordance with BMS policies.



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

- General Directorate – providing overall leadership for BMS with major emphasis on theological reflection, strategic thinking and representation
- Department of Finance and Corporate Services – responsible for all the support functions for BMS including finance, investment management, risk management HR, administration and IT
- Department for World Mission– responsible for BMS mission work overseas. Key roles include recruitment and placement of mission personnel and relationships with overseas partner bodies
- Department of Intercultural Learning and Collaboration– responsible for pre-departure preparation and training partnerships
- Department for Communications and Funding – responsible for BMS' corporate communications portfolio, including funding, creative content and church relations

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 4 main geographic regions: Asia, sub-Saharan Africa, South America, and Europe, Middle East and North Africa.

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.

3.1 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 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 Executive Directors, are reviewed annually, taking inflation and the overall financial position of BMS into consideration. BMS follows a grading and evaluation structure, and benchmarks salaries from time to time (last carried out in 2019).

3.2 Grant making policy

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 period the charity awarded grants of £1.8m (2020: £2.5m). 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. The 2020 figure is restated to take account of a prior-year adjustment. The change in year-end date to December resulted in the need to recognise grant commitments for the next financial year.

3.3 Investment policy and review of investment performance

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

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 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. The CCLA Ethical Investment Fund was selected to be 'medium' risk and has a target return of CPI + 5% net of fees, of which the income target is 3%.

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 for year to 31 December 2021 was 3.06%, and the net annualised return for the Fund was 16.8% (to 31 December 2020 the yield was 3.21% and net annualised return 9.8%). CPI was reported as 5.7% (2020 0.4%).

The market value of General Fund investments at 31 December 2021 was £4.8m (31 December 2020 £4.2m); endowment and property fund investments were £2.9m (31 December 2020 £2.5m).

The graph showing market review data demonstrates the fund performance. The unit price at 1 January 2021 was 279.31 and at 31 December 2021 was 316.25. The graph shows the performance to date in 2022 with the price dropping to 296.67 at 7 April 2022. This is a reduction in total value across the funds of £0.3m.

COIF Charities Ethical Investment Fund

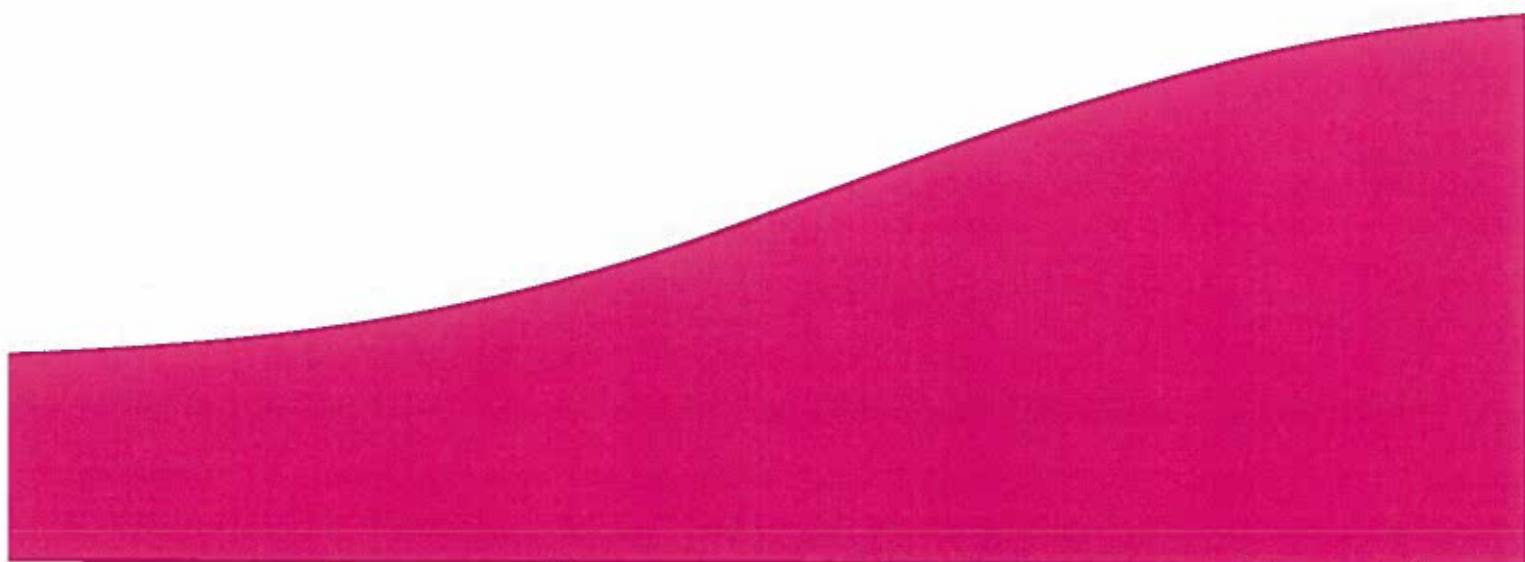


4. Going concern

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. The trustees are of the opinion that the Charity will have sufficient resources to meet its liabilities as they fall due; if necessary, this can be by drawing from investments.

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 to consider any material risk.



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
<p><u>Safety and Security</u> 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.</p>	<p>BMS has a comprehensive 24-hour crisis management policy and crisis response plan, with detailed procedures for handling a wide range of crisis events. Our commitment to work in dangerous places requires us to embrace, but minimise, a certain level of risk. When necessary BMS withdraws or moves mission personnel for a period. Regular crisis response scenarios and reviews are undertaken to embed preparedness.</p>
<p><u>Safeguarding</u> Issues around the protection of children and vulnerable adults in its care and in the care of mission workers.</p>	<p>BMS takes this risk extremely seriously. Well-developed communication and safeguarding processes are in place and BMS works with a specialist provider to train staff and partners and actively works to strengthen partner understanding of safeguarding. BMS has an experienced trustee with designated responsibility for safeguarding.</p>
<p><u>Funding</u> 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 Covid, Brexit and the cost of living rises across the world.</p>	<p>An independent but close relationship is maintained with the three mainland Baptist unions to stay abreast of their own risks and uncertainties.</p> <p>Giving from individual supporters is being increased to decrease our dependency on income directly from churches.</p> <p>Several fundraising products and relationship management tools are used to build and enhance our relationship with supporting churches and individuals.</p> <p>Staff members are developed and trained in fundraising practice, and keep abreast of industry trends and innovations.</p>
<p><u>Impact</u> Not demonstrating sufficient impact from our work, or failing to meet donor expectations.</p>	<p>A rigorous reporting framework is in place to monitor results against the strategy.</p>

Potential risk	How we manage the risk
<u>Overseas Expenditure</u> The majority of the charity's expenditure takes place overseas which heightens risks in terms of fraud and ensuring this is spent in accordance with the Charity's objectives. The new 2020 – 2025 strategy extends activity into new areas of work and new partners.	BMS has a rolling programme in relation to partner capacity building and ensuring financial scrutiny over the overseas transactions. Financial reviews and control capacity is monitored through regular reports to the Finance and Audit Advisory Committee, reflected back in ongoing learning. Special reviews are in place to support new strategic initiatives A programme of partner visits is scheduled for 2022.
<u>Global Health Emergencies</u> The nature of BMS work means that personnel are at greater risk of being a conduit for the spread of global viruses.	BMS adheres to guidance issued by the UK government and has procedures in place to reduce the possibility of spread through its UK and overseas based personnel, of global pandemics. BMS actively promotes access to counselling for staff and mission personnel, and has introduced extra contact, flexibility, resources and activities to engender well-being.

FINANCIAL REVIEW

1. Movement in funds

Taking the charity's funds in total, there was net income for the year of £1,569k (2020 deficit £886k), a net gain of £904k (2020 £596k) from the appreciation in value of the investment portfolio held by the charity, an actuarial gain on the defined benefit pension scheme of £958k (2020 loss of £1,196k), an exchange loss on assets held overseas of £5k (2020 loss of £39k) and no exchange gain or loss on forward contracts (2020 £17k). The overall position was a net increase in total reserves of £3.4m (2020 a deficit of £0.1.5m). The pension fund deficit based on accounting provisions has improved to £0.5m (2020 £1.4m).

2. Reserve policy and fund position

Trustees have a reserves policy that takes a risk-based approach. The policy was reviewed in 2021, in particular taking into account lessons learned from considering the covid threats to being a going concern.

Trustees have examined the requirement for free reserves. Trustees consider that, given the nature of our work this should equate to a range of between £4.0m to £4.5m to provide the flexibility and resilience to cover any short-term funding crisis or a medium-term recession, and a large portion of this needs to be matched by cash.

Free reserves	2021	2020
Unrestricted funds	£13.4m	£10.2m
Designated funds	(£6.7m)	(£5.8m)
Pension fund	£0.5m	£1.4m
Free reserves	£7.2m	£5.8m

Trustees maintain a financial plan to manage the budget so that the target level of reserves is achieved and maintained, and that this is matched by sufficient liquid funds. Such plans will take into account the long-term funding status of the charity's pension scheme and ensure that deficit payment commitments can be met. The current balance exceeds the reserve policy by £2.7m. The Trustees had deliberately built reserves to invest in Strategy 2025 and have now been looking beyond this to plan investment in the longer-term polycentric vision.

The charity also holds funds designated for specific purposes, without legal restriction, as follows:

Designated funds	2021	2020	Purpose
Fixed asset	£5.3m	£5.6m	Net book value of unrestricted fixed assets
Major repairs	-	£0.1m	For repairs spent in year or no longer needed
Mission innovation	£0.1m	£0.1m	For initiatives not in budget, topped up in year
Strategy	£0.9m	-	Set aside for 5-year financial strategy implementation
Covid economic impact	£0.4m	-	To ensure consistent response in economic downturn
Carbon offset fund	-	-	Below £0.1m, designated to environmental projects
	£6.7m	£5.8m	

The triennial valuation of the BMS defined benefit pension scheme was carried out as at 31 December 2018; the next valuation will be as at 31 December 2021. The deficit in 2018 was calculated to be £1.5m. During 2021 employer administration contributions of £0.15m were paid (2020 £0.15m). The fund valuation for accounting purposes at 31 December 2021 was a deficit of £0.5m (2020 £1.4m). The funding position at 31 December 2021 based on the actuarial assumptions used in the last triennial valuation estimated a surplus of £0.6m (2020 surplus £0.4m).

Endowment funds

Included in the balance sheet are endowment funds totalling £2.7m (2020 £2.3m), the capital element not being available to be spent. Income from the endowment funds has been spent during the year.

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 December 2021 the total was £1.3m (2020 £1.3m). The reserves of BMS India of £0.4m (2020 £0.4m) are consolidated in the restricted fund balance.

3. Effectiveness of activities to generate funds

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 does not use professional external fundraisers.

BMS is registered with the Fundraising Regulator and the Fundraising Preference Service and is compliant with the Code of Fundraising Practice. 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 nine complaints in response to our fundraising material, out of tens of thousands of mailings. The matters were handled swiftly, carefully and in accordance with our fundraising complaints procedure.

There was a great outpouring of generosity at the Baptist Assembly in response to our Covid appeal. Many new donors have responded to appeals throughout the year, many have become regular donors and others generously increased their monthly giving. We are thankful to God for his provision, and to our many supporters for their continued generosity.

4. 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 triennial valuation of defined benefit section at 31 December 2018 showed a funding deficit of £1.5m. A deficit payment of £0.6m is due by September 2022 and £0.4m by September 2025. The six-year recovery plan agreed with the Pension Trustee in 2019 has been implemented and is on track. The Trustees are pleased that the strength of the fund has enabled the Pension Trustee to put in place a long-term de-risking investment strategy to arrive at a long-term low dependency target in 15 years' time of gilts + 0.5%. The initial stage of this long-term strategy was a portfolio in 2020 targeted at gilts +1%. In 2021 the risk was reduced to gilts + 0.75%. Equity investment is not a part of the portfolio, but it has been possible for the Pension Trustee to maintain a strong ethical and responsible position on investment fund selection.

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

During 2020 after discussion with the Pension Scheme Trustee, the BMS Trustees decided to close the defined contribution section of the scheme and after a review of providers the pension provision moved to the Aviva Master Trust. From 1 June 2021, monthly contributions were made into the Master Trust and on 6 August 2021 the defined contribution scheme assets were transferred in bulk.

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

The major financial concerns that BMS faces is the economic outlook for the UK and the world economies.

In 2021, the decision was made to withdraw mission personnel from Afghanistan, and since then project and the funding has also been postponed. Providing the conditions improve, work in Afghanistan is expected to resume but if this is not possible then a significant programme of work will be affected.

The damaging impact of Covid-19 continued to seriously affect partner activities and the ability of BMS to fund projects and activities. The ongoing impact has been factored into future financial plans and contingency actions agreed should the impact be greater than anticipated. The trustees have reviewed the plans and agreed a series of activities that should ensure financial stability if necessary.

BMS is working alongside the European Baptist Federation in response to the war in Ukraine. The response from supporters for relief work has been substantial. The situation in itself is not expected to have a material impact on financial performance.

On review of the financial plans to the end of June 2023, 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.



REFERENCE AND ADMINISTRATIVE DETAILS

Trustees

Rev David Marc Owen (Chair)
 Mr Robert Ashurst (Honorary Treasurer)
 Dr Anthony Agbonasevbaefe (From May 2021)
 Rev Simeon Baker
 Dr Elizabeth Bendor-Samuel
 Ms Lynn Cadman
 Rev Lindsay Caplen (to March 2021)
 Dr Marion Carson

Rev Kalyan Das (to March 2022)
 Ms Ruth Elliot
 Dr Stephen Green (to Feb 2021)
 Ms Helle Liht (from May 2021)
 Mr John Slater (Vice Chair) (to March 2022)
 Dr Kang-San Tan
 Rev John Western (to March 2021)

Key management personnel

Dr Kang-San Tan (General Director)
 Mrs Sarah Anthony (Co-Director - Communications)
 Rev Dr Arthur Brown (World Mission)
 Mr Ben Drabble (Co-Director - Communications)
 Ms Valerie Stevens (Finance & Corporate Services)
 Mr Stephen Sanderson (Strategy) from February 2022
 Mr Peter Oyugi (Intercultural Learning and Collaboration) from February 2022

Auditor

Sayer Vincent LLP
 Invicta House
 108-114 Golden Lane
 London
 EC1Y 0TL

Investment Managers

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

Principal Solicitors

Anthony Collins Solicitors LLP
 134 Edmund Street
 Birmingham
 B3 2ES

Actuary

XPS Pension Group
 1 Colmore Row
 Birmingham
 B3 2BJ

Principal Bankers

Barclays Bank
 1 Churchill Place
 London E14 5HP

Registered Office

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

INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF BMS WORLD MISSION

Opinion

We have audited the financial statements of The Baptist Missionary Society (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 December 2021 which comprise the consolidated and parent charitable company statement of financial activities, the group and parent charitable company balance sheets, the consolidated statement of cash flows and the 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 group's and of the parent charitable company's affairs as at 31 December 2021 and of the group's and parent charitable company's incoming resources and application of resources, including its income and expenditure, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011

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 group financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions related to going concern

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

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

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

Other information

The other information comprises the information included in the trustees' annual report, including the strategic report, other than the group financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the group 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. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the group financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the group financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- The information given in the trustees' annual report, including the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements
- The trustees' annual report, including the strategic report, has been prepared in accordance with applicable legal requirements

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report, including the strategic report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and Charities Act 2011 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
- The parent charitable company financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit

Responsibilities of Trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the parent 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 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 auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management, and the Finance and Audit Advisory Committee, which included obtaining and reviewing supporting documentation, concerning the group's policies and procedures relating to:
 1. Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 2. Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 3. The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.

- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the group operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the group from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: **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 and section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. 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.

Judith Miller (Senior statutory auditor)

Date : 14 June 2022

for and on behalf of Sayer Vincent LLP, Statutory Auditor

Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006

BMS GROUP CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2021
(incorporating an income and expenditure account)

2021					Restated 14 months 2020				
Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2021 £'000	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2020 £'000	
Income from:									
Donations, grants and legacies	2	6,922	1,203	-	8,125	6,277	1,505	-	7,782
Other trading activities		57	-	-	57	94	-	-	94
Investment income	3	183	23	-	206	180	27	-	207
Other income	4	754	6	-	760	405	8	-	413
Total income		7,916	1,232	-	9,148	6,956	1,540	-	8,496
Expenditure on:									
Raising funds		335	-	-	335	354	-	-	354
Charitable activities									
Least Evangelised		1,232	52	-	1,284	748	128	-	876
Most Marginalised		2,197	992	-	3,189	2,702	1,137	-	3,839
People on the Move		1,144	29	-	1,173	1,273	109	-	1,382
Historic Partners		799	5	-	804	1,089	219	-	1,308
Raising Awareness		794	-	-	794	1,623	-	-	1,623
		6,166	1,078	-	7,244	7,435	1,593	-	9,028
Total expenditure	5	6,501	1,078	-	7,579	7,789	1,593	-	9,382
Net income / (expenditure) before movement on investments		1,415	154	-	1,569	(833)	(53)	-	(886)
Net gains on investments		569	22	313	904	383	14	199	596
Net income/(expenditure)		1,984	176	313	2,473	(450)	(39)	199	(290)
Transfers between funds	9	197	(197)	-	-	109	(109)	-	-
Other recognised gains/(losses):									
Actuarial gains/(losses) on defined benefit pension scheme		958	-	-	958	(1,196)	-	-	(1,196)
Exchange differences		-	(5)	-	(5)	-	(39)	-	(39)
Net movement in funds		3,139	(26)	313	3,426	(1,554)	(187)	199	(1,542)
Reconciliation of funds: total funds brought forward		10,224	1,342	2,347	13,913	11,778	1,529	2,148	15,455
Total funds carried forward		13,363	1,316	2,660	17,339	10,224	1,342	2,347	13,913

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 income/(expenditure) for the financial year stated above and their historical cost equivalents.

BMS PARENT CHARITY STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2021
(incorporating an income and expenditure account)

2021					Restated 14 months 2020				
Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2021 £'000	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2020 £'000	
Income from:									
Donations, grants and legacies	2	6,922	1,153	-	8,075	6,277	1,413	-	7,690
Other trading activities		57	-	-	57	94	-	-	94
Investment income	3	183	6	-	189	180	7	-	187
Other income	4	754	-	-	754	405	-	-	405
Total income		7,916	1,159	-	9,075	6,956	1,420	-	8,376
Expenditure on:									
Raising funds		335	-	-	335	354	-	-	354
Charitable activities									
Least Evangelised		1,232	52	-	1,284	748	128	-	876
Most Marginalised		2,197	892	-	3,089	2,702	954	-	3,656
People on the Move		1,144	29	-	1,173	1,273	109	-	1,382
Historic Partners		799	5	-	804	1,089	219	-	1,308
Raising Awareness		794	-	-	794	1,623	-	-	1,623
		6,166	978	-	7,144	7,435	1,410	-	8,845
Total expenditure	5	6,501	978	-	7,479	7,789	1,410	-	9,199
Net income / (expenditure) before movement on investments		1,415	181	-	1,596	(833)	10	-	(823)
Net gains on investments		569	22	313	904	383	14	199	596
Net income/(expenditure)		1,984	203	313	2,500	(450)	24	199	(227)
Transfers between funds	9	197	(197)	-	-	109	(109)	-	-
Other recognised gains/(losses):		-	-	-	-	(17)	-	-	(17)
Actuarial gains/(losses) on defined benefit pension scheme		958	-	-	958	(1,196)	-	-	(1,196)
Net movement in funds		3,139	6	313	3,458	(1,554)	(85)	199	(1,440)
Reconciliation of funds:									
Total funds brought forward		10,224	916	2,347	13,487	11,778	1,001	2,148	14,927
Total funds carried forward		13,363	922	2,660	16,945	10,224	916	2,347	13,487

The notes on pages 55 to 71 also form part of these financial statements

	Notes	Group		Charity	
		2021	Restated 2020	2021	Restated 2020
		£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	11	5,908	6,206	5,636	5,914
Investments	12	7,667	6,763	7,667	6,763
Total fixed assets		13,575	12,969	13,303	12,677

Current assets

Stock		3	2	3	2
Debtors	13	1,917	2,057	1,883	2,016
Investments		36	97	1	1
Cash at bank and in hand		4,204	1,924	4,117	1,893
Total current assets		6,160	4,080	6,004	3,912

Liabilities

Creditors: amounts falling due within one year	14	(1,909)	(1,773)	(1,875)	(1,739)
Net current assets excluding pension liability		4,251	2,307	4,129	2,173
Defined benefit pension scheme liability	16	(487)	(1,363)	(487)	(1,363)

Total net assets		17,339	13,913	16,945	13,487
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The funds of the charity

9

Endowment funds		2,660	2,347	2,660	2,347
Restricted income funds		1,316	1,342	922	916
Unrestricted funds					
Designated funds		6,646	5,777	6,646	5,777
General funds (free reserves)		7,204	5,810	7,204	5,810
Total funds excluding pension reserve		17,826	15,276	17,432	14,850
Pension reserve		(487)	(1,363)	(487)	(1,363)
Total funds		17,339	13,913	16,945	13,487

The financial statements on pages 50 to 71 were approved by the Trustees on 23 May 2022 and signed on their behalf by:

David Marc Owen

Chair of Trustees

Date: 23 May 2022

	Group		Charity		
	2021	Restated 14 months 2020	2021	Restated 14 months 2020	
	£'000	£'000	£'000	£'000	
Cash flow from operating activities:					
Net cash provided by/(used in) operating activities	(a)	1,357	641	1,367	709
Cash flows from investing activities:					
Dividends, interest and other income from investments		206	207	189	187
Proceeds from sale of tangible fixed assets		681	114	681	cas
Payments to acquire tangible fixed assets		(20)	(93)	(13)	(90)
Net cash provided by investing activities		867	228	857	97
Change in cash and cash equivalents in the year					806
Cash and cash equivalents at the beginning of the year		2,021	1,191	1,894	974
Change in cash and cash equivalents due to exchange rate movements		(5)	(39)	-	-
Cash and cash equivalents at the end of the year		4,240	2,021	4,118	1,780
(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)		2,473	(290)	2,500	(227)
Depreciation		275	419	250	404
(Gains) on investments		(904)	(712)	(904)	(712)
Investment income		(206)	(207)	(189)	(187)
(Profit) from sale of fixed assets		(640)	(78)	(640)	(78)
(Loss) on Forward Exchange Contracts		-	(17)	-	(17)
Currency re-translation on fixed assets		2	27	-	-
Decrease/(increase) in stocks		(1)	3	(1)	3
Decrease/(Increase) in debtors		140	336	133	347
(Decrease)/Increase in creditors		136	989	136	1,005
Difference between net pension expense and cash contribution		82	171	82	171
Net cash provided by/(used in) operating activities		1,357	641	1,367	709
Analysis of changes in net funds					
Cash at bank and in hand		4,204	1,924	4,117	1,893
Short term deposits		36	97	1	1
		4,240	2,021	4,118	1,894

Analysis of changes in net debt

	Group			Charity		
	Cash and cash Equivalents	Forward Contract Obligations	Total	Cash and cash Equivalents	Forward Contract Obligations	Total
	£'000	£'000	£'000	£'000	£'000	£'000
At 1 January 2021 (restated)	2,021	(329)	1,692	1,894	(329)	1,565
Cashflows	2,224	346	2,570	2,224	346	2,570
Fair Value Movements	-	(17)	(17)	-	(17)	(17)
Foreign Exchange Movements	(5)	-	(5)	-	-	-
Other non-cash changes	-	-	-	-	-	-
At 31 December 2021	4,240	-	4,240	4,118	-	4,118

	Group			Charity		
	Cash and cash Equivalents	Forward Contract Obligations	Total	Cash and cash Equivalents	Forward Contract Obligations	Total
	£'000	£'000	£'000	£'000	£'000	£'000
At 1 November 2019	1,191	(237)	954	974	(237)	737
Cashflows	869	242	1,111	806	242	1,048
Fair Value Movements	-	11	11	-	11	11
Foreign Exchange Movements	(39)	-	(39)	-	-	-
Other non-cash changes	-	(345)	(345)	-	(345)	(345)
At 31 December 2020 (restated)	2,021	(329)	1,692	1,780	(329)	1,451

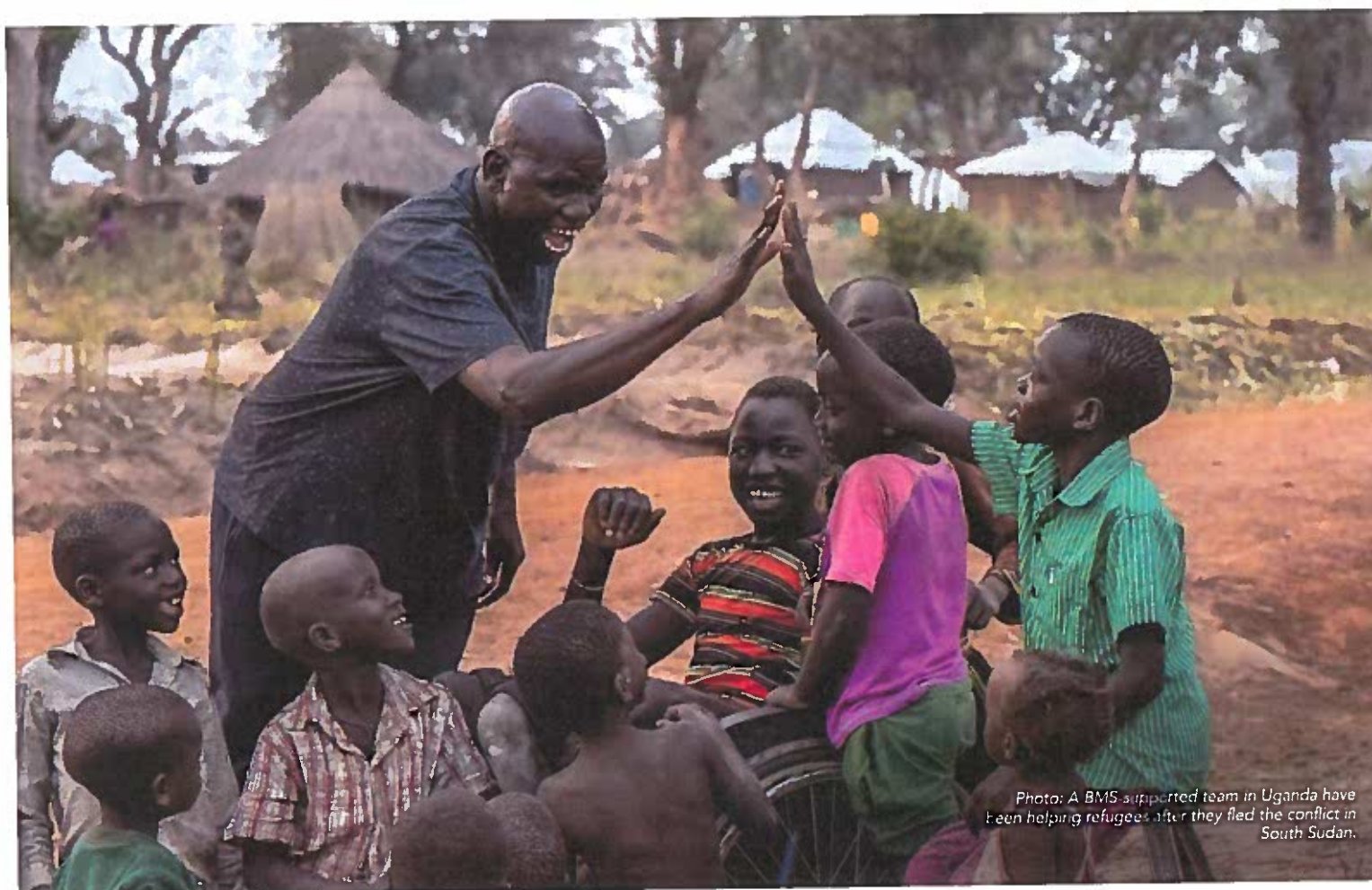


Photo: A BMS supported team in Uganda have been helping refugees after they fled the conflict in South Sudan.

1 Accounting policies

a 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.

b Basis of preparation

The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

During the prior year the charity changed the accounting reference date to 31 December. As a result the comparative figures in the financial statements cover a 14 month period from 1 November 2019 to 31 December 2020. These comparative figures are labelled as 14 months 2020.

These financial statements consolidate the results of the charity and its wholly-controlled subsidiary, Baptist Missionary Society Trust, in India on a line-by-line basis. These financial statements also include the charity's 50% share of its Joint Venture, Baptist House Limited, as an investment recognised at fair value, being 50% of the value of the net assets, with any gain or loss taken through net gains on investments in the Statement of Financial Activities.

BMS constitutes a public benefit entity as defined by FRS 102.

c Assessment of going concern

BMS World Mission's activities, its current financial position, and factors likely to affect its future development are set out within the report from the board. BMS has a 5 year financial plan to 2025 that shows it is able to continue its business-critical activities and remain a going concern. As at 31 December 2021 BMS World Mission had available cash balances of £4.1m and a further £4.8m of investments that could be drawn upon if required. The board's assessment of going concern involved a number of subjective judgements including, but not limited to; decrease in church giving, impact of foreign exchange volatility, delays in the crystallisation of legacies where probate has been granted. In making their assessment the board have also considered the potential impact on its cashflows and liquidity. A stress test has been run on the cashflow forecasts to June 2023 and the board have contingency plans in place to mitigate potential adverse impacts on cashflow including, for instance, delays in non-essential expenditure, phasing of grants, delaying staff recruitment. The trustees concluded their assessment found that the financial plan and forecasts are robust and show that BMS is able to meet its obligations. BMS has not suffered significant negative financial impact as a result of COVID-19 to date. As part of the going concern assessment and conclusion, the continuing effects of COVID-19 and post Brexit transition have been considered in BMS's forecasts and factored into the stress test carried out, including any mitigation actions that may be required. On this basis, given the strength of the balance sheet and availability and liquidity of unrestricted investments, 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 board has a reasonable expectation that BMS has adequate resources to continue in operational existence for the foreseeable future, being a period of at least twelve months after the date on which the report and financial statements are signed. The board have considered the foreseeable future for their going concern assessment to cover the period to 31 December 2025. On this basis, the board continues to adopt the going concern basis in the financial statements.

d Accounting estimates and judgements

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 recognises its liability to its defined benefit pension scheme. This involves actuarial estimates which are disclosed in note 16.

BMS has accrued £1,719k of legacy income. This is based on an estimate of 90% of the value of legacies notified to the charity, where probate has been granted and entitlement is clear. The actual amounts later received may differ to this estimate due to varying costs and fees.

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, grant income and investment income, is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

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. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

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

Grant income includes amounts claimed during 2021 under the UK Government's Coronavirus Job Retention Scheme recognised on a receivable basis.

Investment income is recognised on a receivable basis.

Income from other trading activities includes amounts relating to the sale of Christmas cards and rental income. It is recognised on a receivable basis.

g Expenditure

All expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis. All expenses, including support costs and governance costs, are classified to the applicable expenditure headings in the Statement of Financial Activities. 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.

Expenditure on charitable activities include expenditure associated with raising awareness and the three strategic ministries, and include both the activities, direct costs and support costs relating to these.

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

Grants payable are made to third parties in the furtherance of BMS' charitable objects. They are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and that any condition attaching to the grant is outside of the control of the charity.

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. Land and buildings are included at original historical cost or probate value. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use. There has been no impairment in value of assets held over the financial period.

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 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.

j 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 its 50% share of Baptist House Limited as an investment in the Balance Sheet. The Statement of Financial Activities includes its share of the service charge within charitable expenditure and its share of the surplus within unrealised investment gains. Transactions between the charity and the joint arrangement are eliminated on incorporating these amounts into the accounts of the charity.

k Stock

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

l Cash at bank and in hand

Cash at bank and cash in hand includes 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.

m 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.

n 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.

o **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 BMS 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.

p **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.

2 Donations, grants and legacies

	Unrestricted Funds	Restricted Funds	Total 2021	Unrestricted Funds	Restricted Funds	14 months 2020
	£'000	£'000	£'000	£'000	£'000	£'000
Donations	4,456	1,045	5,501	5,270	1,317	6,587
Grants*	37	63	100	158	86	244
Legacies	2,429	45	2,474	849	10	859
BMS India	-	50	50	-	92	92
	6,922	1,203	8,125	6,277	1,505	7,782

*Grants includes £29k (2019/20: £127k) claimed under the Coronavirus Job Retention Scheme

3 Investment income

	Group 14 months		Charity 14 months	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
UK investment dividends	58	57	58	57
Interest on cash deposits	148	147	131	127
Bank and other interest	-	3	-	3
	206	207	189	187

4 Other income

	Group 14 months		Charity 14 months	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Profit on sale of fixed assets	640	78	640	78
Sundry income	120	335	114	327
	760	413	754	405

5a Analysis of expenditure (current year)**Group**

	Direct costs	Grant funding of activities	Support costs	Total 2021	Restated 14 months 2020
	£'000	£'000	£'000	£'000	£'000
Expenditure on raising funds:					
Donations and legacies	248	-	87	335	354
Charitable activities					
Least Evangelised	567	382	335	1,284	876
Most Marginalised	1,459	924	806	3,189	3,839
People on the Move	468	399	306	1,173	1,382
Historic Partners	465	129	210	804	1,308
Raising Awareness	794	-	-	794	1,623
	4,001	1,834	1,744	7,579	9,382

Charity

	Direct costs	Grant funding of activities	Support costs	Total 2021	Restated 14 months 2020
	£'000	£'000	£'000	£'000	£'000
Expenditure on raising funds:					
Donations and legacies	248	-	87	335	354
Charitable activities					
Least Evangelised	567	382	335	1,284	876
Most Marginalised	1,359	924	806	3,089	3,656
People on the Move	468	399	306	1,173	1,382
Historic Partners	465	129	210	804	1,308
Raising Awareness	794	-	-	794	1,623
	3,901	1,834	1,744	7,479	9,199

5b Analysis of expenditure (prior year)**Group**

	Direct costs	Grant funding of activities	Support costs	Restated 14 months 2020
	£'000	£'000	£'000	£'000
Expenditure on raising funds:				
Donations and legacies	273	-	81	354
Charitable activities				
Least Evangelised	424	252	200	876
Most Marginalised	1,769	1,236	834	3,839
People on the Move	501	566	315	1,382
Historic Partners	554	456	298	1,308
Raising Awareness	1,623	-	-	1,623
	5,144	2,510	1,728	9,382

Charity

	Direct costs £'000	Grant funding of activities £'000	Support costs £'000	Restated 14 months 2020 £'000
Expenditure on raising funds:				
Donations and legacies	273	-	81	354
Charitable activities				
Least Evangelised	424	252	200	876
Most Marginalised	1,586	1,236	834	3,656
People on the Move	501	566	315	1,382
Historic Partners	554	456	298	1,308
Raising Awareness	1,623	-	-	1,623
	4,961	2,510	1,728	9,199

6a Analysis of Grants (current year)

	Asia £'000	Europe £'000	Middle East & North Africa £'000	South America £'000	Sub-Saharan Africa £'000	Total 2021 £'000
Charitable activities						
Least Evangelised	282	64	20	-	16	382
Most Marginalised	475	3	9	16	421	924
People on the Move	-	186	188	24	-	398
Historic Partners	52	78	-	-	-	130
Total	809	331	217	40	437	1,834

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

Country	Partner	£'000
India	Big Life Ministries	172
Uganda	JLH	152
Lebanon	LSESD	147
Chad	Guinebor 2 Hospital	140
Asia	Asia Pacific Baptist Federation	123
Greece	All4Aid	84
Albania	Tek Ura	74
Nepal	NBCC	70
Uganda	UCLF	61
Bangladesh	BBCS	61
Netherlands	IBTSC	54
Nepal	MCDS	51
West Africa	Baptist World Alliance	48
Sri Lanka	LEADS	48
Netherlands	EBF	40
France	FEEBF	40
Thailand	TBKC	39
Nepal	KISC Equip	39
Nepal	ECTC	39
Mozambique	AMAC	37
Various	Other partners <£30,000	315

Total Grants 2021

1,834

6b Analysis of Grants (prior year)

	Asia	Europe	Middle East & North Africa	South America	Sub-Saharan Africa	Restated 14 months 2020
	£'000	£'000	£'000	£'000	£'000	£'000
Charitable activities						
Least Evangelised	189	-	59	-	4	252
Most Marginalised	486	28	113	21	588	1,236
People on the Move	1	200	313	49	3	566
Historic Partners	195	165	42	-	54	456
Total	871	393	527	70	649	2,510

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

Country	Partner	£'000
Lebanon	LSESD	301
India	Big Life Ministries	152
Uganda	Cyan International	151
Albania	Tek Ura	151
Chad	Guinebor 2 Hospital	145
Nepal	United Mission to Nepal	116
Afghanistan	IAM	96
Uganda	UCLF	92
Netherlands	EBF	87
Israel/Palestine	ABC	82
Bangladesh	BBCS	81
Nepal	NBCC	77
Mozambique	AMAC	69
Kosovo	Osadus	69
Mozambique	CBM	63
Asia	Asia Pacific Baptist Federation	60
Bangladesh	BBCS - SHED	57
Thailand	TBKC	56
Nepal	INFN	51
Peru	CEBP	48
West Africa	Baptist World Alliance	40
Chad	Team Chad	35
Albania	BUA	33
Various	Other partners <£30,000	398

Total Grants 2020 (restated)

2,510

7 Governance costs

	2021	14 months 2020
	£'000	£'000
Audit fee	34	41
Covid 19 fee	-	4
Board of Trustees	1	3
Other governance costs	2	8
	37	56

8a 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.

	2021	14 months 2020
	£'000	£'000
Total incoming resources	73	120
Total expenditure	(100)	(183)
Exchange difference	(5)	(39)
(Deficit)/Surplus for the year	<u>(32)</u>	<u>(102)</u>
Total assets	428	460
Total liabilities	<u>(34)</u>	<u>(34)</u>
Funds	<u>394</u>	<u>426</u>

8b Share in Joint Venture

BMS World Mission owns 50% of the issued ordinary share capital of Baptist House Limited, a company registered in England, with the remaining 50% owned by the Baptist Union of Great Britain. The trustees believe that the company qualifies as a joint venture for accounting purposes. Given the level of activities, consolidated accounts have not been prepared as the effect on both the Statement of Financial Activities and the Balance Sheet would be immaterial. Accounts are made up to 31 October each year and a summary of the company's results are shown below.

	2021	2020
	£'000	£'000
Total incoming resources	393	405
Total expenditure	<u>(360)</u>	<u>(370)</u>
Profit/(Loss) for the year	<u>33</u>	<u>35</u>
Total assets	360	320
Total liabilities	<u>(49)</u>	<u>(42)</u>
Capital and Reserves	<u>311</u>	<u>278</u>

The charity's share of any profit or loss is 50% of the overall.

9a Statement of funds (current year)

	Balance at 1.1.21 (restated)	Incoming resources	Resources expended	Realised and unrealised gains	Transfers	Balance at 31.12.21
	£'000	£'000	£'000	£'000	£'000	£'000
Endowment funds						
Cyril Edwards Trust	826	-	-	111	-	937
Jane Mursell Trust	890	-	-	120	-	1,010
Joy Bushon Sircar Trust	441	-	-	55	-	496
Other endowment funds	190	-	-	27	-	217
	<u>2,347</u>	-	-	<u>313</u>	-	<u>2,660</u>
Restricted funds						
Emergency relief fund	354	495	(319)	-	(191)	339
Restricted fixed assets reserve	357	-	-	-	(6)	351
Restricted property funds	205	5	-	22	-	232
India	426	73	(100)	(5)	-	394
Other restricted funds	-	659	(659)	-	-	-
	<u>1,342</u>	<u>1,232</u>	<u>(1,078)</u>	<u>17</u>	<u>(197)</u>	<u>1,316</u>

	Balance at 1.1.21 (restated) £'000	Incoming resources £'000	Resources expended £'000	Realised and unrealised gains £'000	Transfers £'000	Balance at 31.12.21 £'000
<i>Unrestricted funds</i>						
Designated:						
Covid impact	-	-	-	-	360	360
Strategy implementation	-	-	-	-	850	850
Historic partner support	-	-	-	-	30	30
Fixed assets reserve	5,557	-	-	-	(272)	5,285
Mission Innovation fund	100	2	(11)	-	9	100
Major repairs fund	105	-	-	-	(105)	-
Carbon offset fund	15	2	-	-	4	21
	5,777	4	(11)	-	876	6,646
Pension reserve	(1,363)	-	(82)	958	-	(487)
General funds						
Free reserves	5,810	7,912	(6,408)	569	(707)	7,204
	10,224	7,916	(6,501)	1,527	169	13,363

The narrative to explain the purpose of each fund is given at the foot of the note below.

9b Statement of funds (prior year)

	Balance at 1.11.19 £'000	Incoming resources £'000	Resources expended £'000	Realised and unrealised gains £'000	Transfers £'000	Balance at 31.12.20 (restated) £'000
<i>Endowment funds</i>						
Cyril Edwards Trust	754	-	-	72	-	826
Jane Mursell Trust	813	-	-	77	-	890
Joy Bushon Sircar Trust	408	-	-	33	-	441
Other endowment funds	173	-	-	17	-	190
	2,148	-	-	199	-	2,347
<i>Restricted funds</i>						
Emergency relief fund	334	437	(366)	-	(51)	354
Health fund	35	597	(632)	-	-	-
Restricted fixed assets reserve	415	-	-	-	(58)	357
Restricted property funds	186	5	-	14	-	205
India	528	120	(183)	(39)	-	426
Other restricted funds	31	381	(412)	-	-	-
	1,529	1,540	(1,593)	(25)	(109)	1,342
<i>Unrestricted funds</i>						
Designated:						
Fixed assets reserve	5,889	-	-	-	(332)	5,557
Mission Innovation fund	100	7	(54)	-	47	100
Major repairs fund	105	-	-	-	-	105
Carbon offset fund	26	1	(20)	-	8	15
	6,120	8	(74)	-	(277)	5,777
Pension reserve	-	-	(167)	(1,196)	-	(1,363)
General funds						
Free reserves	5,658	6,948	(7,526)	344	386	5,810
	11,778	6,956	(7,767)	(852)	109	10,224

Purposes of endowment funds

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 December 2021.

Purposes of restricted funds

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

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.

Purposes of designated funds

The Covid impact fund represents the anticipated longer term impact of Covid and the UK economic environment to allow BMS to continue to absorb an anticipated downturn in income.

The strategy implementation represents the cost of implementing the strategy.

The historic partner support fund represents support to historic partners.

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 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 was used during the year on Wallis House.

The Carbon offset fund represents funds set aside for creation stewardship projects.

10 Employees and Trustee Directors

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

	2021	14 months 2020
	£'000	£'000
Allowances and salaries	2,528	3,257
Pension contributions	314	418
National Insurance contributions	155	189
Relocation payments	3	5
	<u>3,000</u>	<u>3,869</u>
Average number of employees		
Mission personnel	66	78
Other employees	56	58
	<u>122</u>	<u>136</u>

Included in the above employee costs are redundancy costs of £8,634 (2019/20: £8,047). Redundancy costs are provided for when they are estimable and settlement is probable within 12 months. At the balance sheet date there were redundancy costs of £4,896 (2019/20: £1,455) awaiting payment.

Employees and trustees

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

	2021	14 months 2020
	Number	Number
£70,001-£80,000	1	1
£60,001-£70,000	1	2

The total amount of employee benefits, including employer's pension contributions, received by key management personnel for their services during the year was £289,760 (2019/20: £271,296).

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 £69,816 (2019/20: £74,138 for the fourteen months and for comparative purposes, the amount for the twelve months to 31/10/2020 was £62,822). Dr Tan was also reimbursed for all necessary expenses incurred in carrying out his duties as an employee of the charity, a total of £1,371 (2019/20: £1,500). Dr Tan is a member of the charity's pension scheme and contributions totalling £6,666 (2019/20: £7,899) were paid by the charity during the year.

During the year a total of £832 (2019/20: £1,571) was reimbursed to 12 Trustee Directors (2019/20: 12) in respect of committee expenses.

Related Parties

During the year a total of £180 (2019/20: £nil) was paid to Loun Ling Lee, the wife of the General Director, for providing three teaching sessions. The rate was the standard fee paid to visiting lecturers.

11a Group Tangible Assets

	Land and buildings	Furniture and equipment	Motor vehicles	Total
	£'000	£'000	£'000	£'000
Cost				
01 January 2021 (restated)	8,346	845	101	9,292
Transfer	8	(8)	0	0
Additions	7	13	0	20
Currency re-translation	(2)	0	0	(2)
Disposals	(59)	(163)	(10)	(232)
31 December 2021	8,300	687	91	9,078
Depreciation				
01 January 2021 (restated)	2,433	563	90	3,086
Charge for year	200	73	2	275
Disposals	(18)	(163)	(10)	(191)
31 December 2021	2,615	473	82	3,170
Net book value				
31 December 2021	5,685	214	9	5,908
31 December 2020 (restated)	5,913	282	11	6,206

11b Charity Tangible Assets

	Land and buildings £'000	Furniture and equipment £'000	Motor vehicles £'000	Total £'000
Cost				
01 January 2021 (restated)	8,069	764	80	8,913
Additions	-	13	-	13
Disposals	(59)	(163)	(10)	(232)
31 December 2021	8,010	614	70	8,694
Depreciation				
01 January 2021 (restated)	2,390	529	80	2,999
Charge for year	181	69	-	250
Disposals	(18)	(163)	(10)	(191)
31 December 2021	2,553	435	70	3,058
Net book value				
31 December 2021	5,457	179	-	5,636
31 December 2020 (restated)	5,679	235	-	5,914

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

12 Investments held by group and charity

	2021 £'000	Restated 14 months 2020 £'000
Analysis of movements in the year		
Market value at 1 January	6,763	6,172
Add acquisitions at cost	-	-
Less proceeds of disposal	-	-
Net gains for the year	904	591
	7,667	6,763
Market value at 31 December	7,667	6,763
Analysis of investments held at 31 December		
Joint Venture Baptist House Limited	155	138
Pooled Fund	7,015	6,183
Non-UK listed investments:		
Indirect investments	497	442
	7,667	6,763

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

13 Debtors

	Group		Charity	
	2021 £'000	Restated 2020 £'000	2021 £'000	Restated 2020 £'000
Trade debtors	16	33	16	33
Other debtors	130	489	96	448
Prepayments	52	108	52	108
Accrued income	1,719	1,427	1,719	1,427
	1,917	2,057	1,883	2,016

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 £Nil (2020: £329k).

14 Creditors: amounts falling due within one year

	Group		Charity	
	2021	Restated 2020	2021	Restated 2020
	£'000	£'000	£'000	£'000
Loans	2	2	2	2
Trade creditors	127	210	127	210
Taxation and Social Security	51	64	51	64
Other creditors	61	367	27	333
Accruals	138	57	138	57
Grants payable	1,530	1,073	1,530	1,073
Deferred income	-	-	-	-
	1,909	1,773	1,875	1,739

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 £Nil (2020: £329k).

Grants payable represents grants committed for 2022 before the end of the 2021 financial year.

14a Deferred income

	Group		Charity	
	2021	14 months 2020	2021	14 months 2020
	£'000	£'000	£'000	£'000
Deferred income brought forward	-	31	-	31
Released to income in the year	-	(31)	-	(31)
Deferred income carried forward	-	-	-	-
Total	-	-	-	-

This relates to fees received from gap year participants for their programme which covers a period from September to August, therefore the January to August portion is recognised as deferred income. However, the gap year programme has not run in either 2021 or 2020, hence no deferred income has been recognised.

15a Analysis of group net assets between funds (current year)

	Unrestricted Funds	Designated Funds	Restricted Funds	Endowment Funds	Total 2021	Restated Total 2020
	£'000	£'000	£'000	£'000	£'000	£'000
Tangible fixed assets	-	5,285	623	-	5,908	6,206
Investments	4,775	-	232	2,660	7,667	6,763
Current assets	4,304	1,361	495	-	6,160	4,080
Current liabilities	(1,875)	-	(34)	-	(1,909)	(1,773)
Pension Fund	(487)	-	-	-	(487)	(1,363)
	6,717	6,646	1,316	2,660	17,339	13,913

15b Analysis of group net assets between funds (prior year)

	Unrestricted Funds	Designated Funds	Restricted Funds	Endowment Funds	Restated Total 2020
	£'000	£'000	£'000	£'000	£'000
Tangible fixed assets	-	5,557	649	-	6,206
Investments	4,211	-	205	2,347	6,763
Current assets	3,338	220	522	-	4,080
Current liabilities	(1,739)	-	(34)	-	(1,773)
Pension Fund	(1,363)	-	-	-	(1,363)
	4,447	5,777	1,342	2,347	13,913

16 Defined benefit arrangements

The Scheme is a registered scheme under UK legislation and is subject to the scheme funding requirements. The Scheme was established from 7 April 1962 under trust and is governed by the Scheme's trust deed and rules dated 16 October 2006, and supplemental trust deed dated 12 February 2015. The Trustees are responsible for the operation and the governance of the Scheme, including making decisions regarding the Scheme's funding and investment strategy in conjunction with the Company.

The Baptist Missionary Society operates a scheme in the UK which provides both pensions in retirement and death benefits to members. These disclosures only relate to the defined benefit section of the Scheme. The defined benefit section of the Scheme provides pension benefits which are related to the members' salary upon the closure of the Scheme to future accrual (or upon leaving if earlier) and their length of service.

The Trustees are responsible for the operation and the governance of the Scheme, including making decisions regarding the Scheme's funding and investment strategy in conjunction with the Company.

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.

The most recent formal actuarial valuation of the Scheme was at 31 December 2018.

The liabilities at the reporting date have been calculated by updating the results of the formal actuarial valuation of the Scheme for the assumptions as detailed in these disclosures. Allowance has been made for expected mortality over the period, as well as actual movement in financial conditions since the valuation date.

Such an approach is normal for the purposes of accounting disclosures. It is not expected that these projections will be materially different from a summation of individual calculations at the accounting date, although there may be some discrepancy between the actual liabilities for the Scheme at the accounting date and those included in the disclosures.

The valuation as at 31 December 2018 included a Recovery Plan under which the Baptist Missionary Society pays deficit contributions of £579,000 by September 2022 and £359,000 by September 2025. The Baptist Missionary Society will also 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.

Over the year, the Trustees have adopted a new investment strategy, whereby the Scheme's assets are now made up of approximately 40% matching assets (LDI and Buy & Maintain Credit) and 60% return seeking assets (Multi-asset credit and illiquid assets).

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 expectation. The Scheme intends to de-risk its investments as the funding position improves.

A full actuarial valuation of the Scheme was carried out as at 31 December 2018 and has been updated to 31 December by a qualified independent actuary.

The amounts recognised in the statement of financial position are as follows:

	2021	14 months 2020
	£'000	£'000
Defined benefit obligation	(37,269)	(39,172)
Fair value of plan assets	36,782	37,809
Net defined benefit (liability)/asset	(487)	(1,363)
Restriction on asset recognised	-	-
Net amount recognised at year end (before any adjustment for deferred tax)	(487)	(1,363)

The amounts recognised in comprehensive income are:

The current and past service costs, settlements and curtailments, together with the net interest expense for the year are included in profit or loss. Remeasurements of the net defined benefit liability are included in other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

	2021 £'000	14 months 2020 £'000
Service cost:		
Current service cost (net of employee contributions)	-	-
Administration Expenses	214	352
Loss/(gain) on plan introductions, changes, curtailments and settlements	-	-
Net interest expense/(credit)	18	1
Charge/(credit) recognised in profit or loss	<u>232</u>	<u>353</u>
Remeasurements of the net liability:		
Return on scheme assets (excluding amount included in net interest expense)	317	(1,300)
Actuarial (gains)/losses	(1,275)	3,012
Adjustment for restrictions on the asset recognised	-	(527)
Charge/(credit) recorded in other comprehensive income	<u>(958)</u>	<u>1,185</u>
Total defined benefit cost/(credit)	<u>(726)</u>	<u>1,538</u>

Principal Actuarial Assumptions

	2021	14 months 2020
Liability Discount rate	1.85%	1.25%
Inflation assumption (RPI)	3.40%	2.90%
Inflation assumption (CPI)	2.70%	2.20%
Rate of increase in salaries	2.70%	2.20%
Pension increases:		
Pre 6 April 2006 benefits (RPI max 5%)	3.30%	2.85%
Pre 6 April 2006 benefits (CPI max 5%)	2.65%	2.20%
Pre 6 April 2006 benefits (greater of RPI/CPI max 5%)	3.30%	2.85%
Pre 6 April 2006 benefits (greater of RPI/CPI max 2.5%)	2.25%	2.10%

Proportion of Employees commuting pension for cash

No allowance No allowance

Assumed life expectancies on retirement at age 65 are:

	2021	14 months 2020
Males retiring immediately	22.6	22.9
Females retiring immediately	24.3	24.3
Males retiring in 20 years time	23.8	23.9
Females retiring in 20 years time	25.7	25.2

Reconciliation of scheme assets and liabilities

	Assets £'000	Liabilities £'000	Total £'000
At start of period	37,809	(39,172)	(1,363)
Benefits paid	(1,111)	1,111	-
Administration expenses	(214)	-	(214)
Current service cost	-	-	-
Contributions from employer	150	-	150
Contributions from employees	-	-	-
Interest income/(expense)	465	(483)	(18)
Return on assets (excluding amount included in net interest expense)	(317)	-	(317)
Actuarial gains/(losses)	-	1,275	1,275
Gain/(loss) on plan introductions and changes	-	-	-
Gain/(loss) on curtailments	-	-	-
Assets distributed/liabilities extinguished on settlements	-	-	-
Assets acquired/liabilities assumed in a business combination	-	-	-
Fair value of scheme assets	<u>36,782</u>	<u>(37,269)</u>	<u>(487)</u>

	2021 £'000	14 months 2020 £'000
The return on plan assets was:		
Interest income	465	808
Return on plan assets (excluding amount included in net interest expense)	(317)	1,300
Total return on plan assets	<u>148</u>	<u>2,108</u>

The major categories of scheme assets are as follows:

	2021 £'000	14 months 2020 £'000
Multi Strategy Credit Fund	14,128	-
ICS Sterling Liquid Environmentally Aware Fund (LEAF)	4,052	-
Strategic Alternative Income Fund (SAIF)	3,348	-
Liability Driven Investment	9,804	10,752
Cash and net current assets	1,992	23,263
Bonds	3,458	3,794
Total market value of assets	<u>36,782</u>	<u>37,809</u>

Estimation of next period's profit or loss

	2021 £'000
Service cost:	
Current service cost (net of employee contributions)	-
Administration expenses	221
Loss/(gain) on plan introductions, changes, curtailments and settlements	-
Net interest expense/(credit)	4
Overall P&L impact	<u>225</u>

17 Restatement of comparatives

Group Reserves Position

	31 December 2020			
	Unrestricted £'000	Restricted £'000	Endowment £'000	Total £'000
Funds previously reported	11,285	1,342	2,347	14,974
Adjustments:				
Grant accrual	(1,061)	-	-	(1,061)
Funds restated	<u>10,224</u>	<u>1,342</u>	<u>2,347</u>	<u>13,913</u>

Group Income and Expense

	31 December 2020			
	Unrestricted £'000	Restricted £'000	Endowment £'000	Total £'000
Net movement of funds previously reported	(493)	(187)	199	(481)
Adjustments:				
Grant accrual	(1,061)	-	-	(1,061)
Funds restated	<u>(1,554)</u>	<u>(187)</u>	<u>199</u>	<u>(1,542)</u>

Charity Reserves Position

	31 December 2020			
	Unrestricted £'000	Restricted £'000	Endowment £'000	Total £'000
Funds previously reported	11,285	916	2,347	14,548
Adjustments:				
Grant accrual	(1,061)	-	-	(1,061)
Funds restated	<u>10,224</u>	<u>916</u>	<u>2,347</u>	<u>13,487</u>

Charity Income and Expense

	31 December 2020			
	Unrestricted £'000	Restricted £'000	Endowment £'000	Total £'000
Net movement of funds previously	(493)	(85)	199	(379)
Adjustments:				
Grant accrual	(1,061)	-	-	(1,061)
Funds restated	<u>(1,554)</u>	<u>(85)</u>	<u>199</u>	<u>(1,440)</u>

Details of adjustments

Grant accrual: previously grant commitments for the coming year were not included within the grant accrual, only current year grants that were still payable at the year end. This has been corrected to include grant commitments made for the coming year where grant letters were sent out prior to the year end.

Accounting for Joint Venture: previously the charity's share of each line of the Joint Venture's balance sheet was included in each line of the charity's balance sheet, and the share of the gain or loss of the Joint Venture was shown within expenditure. This has been corrected so now the Joint Venture's net assets appear as a single line within the charity's investments and the share of the gain or loss of the Joint Venture is shown within net gains on investments. There is no impact on the funds arising from this adjustment.



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