

UFM WORLDWIDE
(Limited by Guarantee)

REPORTS & FINANCIAL STATEMENTS

31 MARCH 2018

Company Registration Number 265218
Charity Number 219946
Scottish Charity Number SC039343

UFM WORLDWIDE

FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2018

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UFM WORLDWIDE

REPORT OF THE COUNCIL OF MANAGEMENT

YEAR ENDED 31 MARCH 2018

The Council members, who are also directors of UFM Worldwide (the Mission) for the purposes of the Companies Act, submit their annual report and the audited financial statements for the year ended 31 March 2018. The Trustees have adopted the provisions of the Charity Commission Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard 102 (effective January 2015) and the Companies Act 2006.

Structure, Governance and Management

Governing Document and Objects

UFM Worldwide is a charitable company limited by guarantee and was set up on 7 May 1932. It functions as a missionary organisation and is governed by a memorandum and articles of association, which were last amended on 2 August 2007. Its objects are:

- To fulfil the command of the Lord Jesus Christ to evangelize the world in cooperation with churches.
- To support and encourage churches in the work of evangelism, mission, Bible teaching, leadership training, medical care, education and the relief of poverty.

Public Benefit

The Council members have complied with the 2011 Charities Act to give due regard to the public benefit. They have reviewed guidance set out by the Charity Commission and believe that the Mission meets its obligations in this respect through the activities set out under the heading “Review of main activities” below. The Council members will continue to review the activities of the Mission to ensure that these are consistent with the legal objectives set out in its constitution.

Organisational Structure

A Council with a minimum of five members and a maximum of twenty governs the Mission. Council members serve for a three-year period and may be re-elected for further terms. Existing members nominate new members of Council and any member so appointed holds office until the next Annual General Meeting, but is then eligible for re-election.

The Council meets in person three times a year; this includes a 24-hour Council Conference to review strategy, Mission policy and operational matters. The Personnel Committee is made up of Council members and staff members. The Irish Committee and the Scottish Committee are chaired by a Council member but are otherwise made up of other individuals. All committees operate under specific terms of reference, which delegate certain functions from the Council. Each committee has its decisions ratified by the full Council.

Day to day administration of the Mission is the responsibility of the Director, together with the Deputy Director, the Regional Director based in Scotland, the Regional Director based in Ireland, the Women’s Pastoral Worker and the Finance Director (Senior Leadership Team).

Remuneration for all senior staff is set and reviewed by the Council. In setting the new Director’s salary, the Council sought to set the salary at a level that was broadly competitive with equivalent roles across similar organisations and comparable to that paid to the previous Director.

Council Member Induction and Training

New Council members are carefully chosen for the particular skills and experience they will bring to the Mission. Most new Council members already have experience as charity trustees. The Director liaises with new Council members and provides them with information about the Mission’s activities and ministries. They receive copies of the Mission’s Memorandum and Articles of Association, the latest Annual Accounts and a copy of the Charity Commission’s guidance “The Essential Trustee”. They receive copies of recent Council and subcommittee minutes and the Annual Report.

New Council members are encouraged to visit the Mission’s headquarters and to meet the staff, including the senior management team.

UFM WORLDWIDE

REPORT OF THE COUNCIL OF MANAGEMENT

YEAR ENDED 31 MARCH 2018

All new Council members are encouraged to become a member of one of the Mission's subcommittees depending on their personal skills and experience. They receive weekly updates and monthly information giving news and information about the Mission's personnel.

Risk Management

The Council has assessed the major risks to which the Mission is exposed, in particular those related to the operations and finances of the Mission, and is satisfied that systems are in place to manage our exposure to the major risks. Some of the risks identified are:

- Fluctuations in foreign currency exchange rates. These could lead to currency exchange losses, uncertainty over field allowance rates costs and cause a cash flow impact on operational activities. To mitigate for this, cash flow is monitored and managed and a reserves policy is in place.
- A decline in legacy and general fund giving. This could lead to a fall in total general fund income, limiting the funds available for operations and staffing etc. To mitigate for this, expenditure and alternative streams of income are regularly reviewed. Additionally, legacies are promoted amongst supporters as a way of supporting the mission.
- Failure relating to safety or safeguarding. This could lead to physical or emotional harm to individuals, claims being made against the mission and harm being done to the reputation of the mission. A safeguarding policy is in operation and is covered as part of orientation training for all new staff and mission personnel. Relevant liability insurance policies are also in place.

Review of main activities

The Statement of Financial Activities for the year is set out on page 10 of the financial statements. A summary of the financial results is set out below.

The Mission continues to fulfil its charitable objectives. In doing so, the Mission has considered the Charity Commission's guidance on public benefit and, in particular, the specific guidance on charities for the advancement of religion. In particular, we seek to advance the Christian faith amongst all people both in the UK and overseas through:

- Providing missionary personnel to support and encourage churches in the work of evangelism and mission.
- The provision of Bible teachers and providing leadership training.
- The provision of medical care, education and the relief of poverty.

The work of the Mission continues to grow and develop. The Mission seeks to serve churches in the UK by working in partnership with them in sending cross-cultural missionaries. Missionary personnel from more than 85 churches based in 7 countries now serve with UFM. Where appropriate the Mission also works in partnership with other mission agencies to make the best use of resources, both missionary personnel and finance.

During the year 10 new missionaries have been accepted for long term service, bringing the total number of missionaries to 164. The Mission currently works in over 35 countries worldwide. A total of 17 short term missionaries have also served in various countries, mainly in Africa, Europe and South East Asia. The Mission is involved in a wide range of ministries, concentrating mainly on evangelism, church planting, pastoral and leadership training and a variety of mercy ministries. Pastoral care of the growing number of missionary personnel is a priority. It is undertaken primarily by the Senior Leadership Team and in conjunction with the UK churches of our missionaries.

The Mission continues to be committed to maintaining an effective presence in Northern Ireland and Scotland through our staff and administration based in Belfast and Glasgow.

UFM WORLDWIDE

REPORT OF THE COUNCIL OF MANAGEMENT

YEAR ENDED 31 MARCH 2018

Financial Review

Review of Restricted Funds

Donations to Missionary Support amounted to £3,048,379 in the year compared to £2,714,368 in the previous year – an increase of 12%. Expenditure in support of our missionaries, out of restricted funds, amounted to £2,808,024 compared with £2,573,150 in the previous year. This gives an overall increase in restricted funds of £246,355 (2017: increase of £141,218).

Review of Unrestricted Funds

Income to unrestricted funds for the year was £562,895 compared with £524,348 received in the previous year. Expenditure for the year amounted to £542,277 (2017: £501,270).

Income on unrestricted funds exceeded expenditure by £20,618 (2017: £23,078) before adjusting for movements in the value of the Mission's investments. After adjusting for net losses of (£4,751) (2017: gains of £105,290) on investment assets there was an increase of £15,867 (2017: increase of £128,368).

Investment policy and returns

As permitted by the Mission's memorandum and articles of association, the Council has given the investment managers discretion to manage the investment portfolio within an agreed risk profile. It is the Mission's policy to specifically exclude investments in the tobacco and breweries sectors and pharmaceutical companies involved in research using human foetal material or involved in the production of after fertilisation birth control products. The general investment aim is to maximise the Mission's total return by a combination of net income plus capital appreciation. The expected return on investments is £20,000 per annum. The return on investments this year was £25,218 (2017: £22,136).

Fundraising Activities

It is not currently our policy to fundraise or to employ fundraisers for the general fund. Professional fundraisers or commercial participators for fundraising are not used and the Mission is not currently subscribed to a scheme for fundraising regulation. Funds donated in support of our mission partners are usually raised through the distribution of support leaflets, either electronically or in person at deputation meetings. The leaflets give a potential donor the opportunity to learn about the mission partner and their work and to respond in their own time should they wish to do so, without undue pressure, unreasonable persistence or intrusion. Good practice relating to raising funds is discussed as part of our orientation programme and progress is monitored at regular intervals. Any complaints received are followed up by a member of the senior staff team in consultation with the mission partner. The mission has received no complaints in relation to fundraising over the past year.

Reserves

The reserve requirement of the Mission is reviewed annually. Each review seeks to reflect on the current level of income and expenditure and the need to match variable income with fixed commitments. The review also takes into account the Council's settled conviction that God will continue to supply the financial needs of the Mission as He has done in past years. A recent review concluded that, to allow the Mission to be managed efficiently and to provide a buffer for uninterrupted services to our mission partners, unrestricted funds not committed or invested in tangible fixed assets ("the free reserves") held by the charity should be approximately £145,000. At the balance sheet date free reserves amounted to £188,379. Some of the excess reserves will be made available for additional planned expenditure in the coming year, including an office relocation project and a European Conference event for mission partners.

Restricted funds have increased from £1,407,112 to £1,653,467. These funds comprise gifts and donations given specifically for the support of missionary personnel in the carrying out of their work in the furtherance of the Mission's aims and objectives. The total of the restricted and unrestricted funds increased from £2,090,149 to £2,346,371.

Future developments

The Council's aim is to continue to maintain the policies which have strengthened the Mission in recent years and to expand the work of promoting the Christian Faith.

UFM WORLDWIDE

REPORT OF THE COUNCIL OF MANAGEMENT

YEAR ENDED 31 MARCH 2018

Responsibilities of the Council of Management

The Council of Management of UFM Worldwide (who are also trustees for the purpose of charity law and directors for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and 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 charitable company will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Members of the Council of Management

Members of the Council, who are directors for the purpose of company law and trustees for the purpose of charity law, who served during the year and up to the date of this report are set out on page 5.

Disclosure of information to auditor

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

Auditor

Messrs Burton Sweet have signified their willingness to continue in office and their re-appointment will be proposed at the forthcoming Annual General Meeting.

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

By order of the council

M S Prest
Company Secretary

Date:

UFM WORLDWIDE

REFERENCE & ADMINISTRATIVE INFORMATION

YEAR ENDED 31 MARCH 2018

Council of Management

Rev D Carmichael
Rev S Curry
Mr J Duffin
Mr M D Evans
Rev G B Jones
Mrs L Lewis
Mr B E Mitchener
Rev R Myerscough
Mr G Powell
Rev J Shaw
Mr A Smyth
Mrs D Woolley
Miss K Wynn

Key Management Personnel

M Prest
W Brown
I Cameron
E Magowan
D Morrow
J Redhead

Director and Company Secretary

M Prest

Registered Company Number

265218

Registered Charity Number (England and Wales)

219946

Registered Charity Number (Scotland)

SC039343

Registered Office

145 Faringdon Road, Swindon, Wiltshire, SN1 5DL

Auditor

Burton Sweet Chartered Accountants, The Clock Tower, 5 Farleigh Court, Old Weston Road, Flax Bourton, Bristol BS48 1UR

Solicitors

R George Davies & Co., 5 Nevill Street, Abergavenny, Monmouthshire, NP7 5AA

UFM WORLDWIDE

REFERENCE & ADMINISTRATIVE INFORMATION

YEAR ENDED 31 MARCH 2018

Bankers

HSBC Plc, Unit 6, The Lock, Canal Walk, Swindon, Wiltshire, SN1 1LD

Investment Advisors

Investec, 2 Gresham Street, London, EC2V 7QN

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF UFM WORLDWIDE
YEAR ENDED 31 MARCH 2018

Opinion

We have audited the financial statements of UFM Worldwide (the "Charity") for the year ended 31 March 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Charity's Trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and section 44(1)c of the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the Charity's Trustees those matters we are required to state in 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 Charity's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion, the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 March 2018 and of its income, expenditure and cash flows 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, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulation 2006 (as amended).

Basis for opinion

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

Conclusions relating to going concern

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

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

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF UFM WORLDWIDE

YEAR ENDED 31 MARCH 2018

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report (incorporating the directors' report) have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

- sufficient accounting records have not been kept;
- the financial statements are not in agreement with the accounting records and returns;
- certain disclosures of trustees' remuneration specified by law are not made;
- we have not obtained all the information and explanations necessary for the purposes of our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a strategic report.

Responsibilities of trustees

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

UFM WORLDWIDE

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF UFM WORLDWIDE

YEAR ENDED 31 MARCH 2018

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

Auditor's responsibilities for the audit of the financial statements

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

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/apb/scope/private.cfm This description forms part of our auditor's report.

Neil Kingston FCA (Senior Statutory Auditor)

For and on behalf of Burton Sweet Chartered Accountants and Statutory Auditor

The Clock Tower
5 Farleigh Court
Old Weston Road
Flax Bourton
Bristol BS48 1UR

Date:

UFM WORLDWIDE

STATEMENT OF FINANCIAL ACTIVITIES (Including Income and Expenditure Account)

YEAR ENDED 31 MARCH 2018

		Unrestricted Funds £	Restricted Funds £	Total Funds 2018 £	Total Funds 2017 £
	Note				
Income from:					
Donations and gifts	2	433,636	3,048,379	3,482,015	3,090,130
Legacies		62,756	-	62,756	95,044
Charitable Activities	3	41,285	-	41,285	31,406
Investments	4	25,218	-	25,218	22,136
Total income		562,895	3,048,379	3,611,274	3,238,716
Expenditure on:					
Raising funds		99,635	-	99,635	76,595
Charitable activities		442,642	2,808,024	3,250,666	2,997,825
Total expenditure	5	542,277	2,808,024	3,350,301	3,074,420
Net gains/(losses) on investments	10	(4,751)	-	(4,751)	105,290
Net income/(expenditure) for the year and net movement in funds	6	15,867	240,355	256,222	269,586
Transfers between funds	14	(6,000)	6,000	-	-
Total funds at 1 April 2017	14	683,037	1,407,112	2,090,149	1,820,563
Total funds at 31 March 2018	14	692,904	1,653,467	2,346,371	2,090,149

The Charity has no recognised gains or losses other than the results for the year as set out above.

All of the activities of the charity are classed as continuing.

See note 8 for fund-accounting comparative figures

The notes on pages 13 to 23 form part of these financial statements

UFM WORLDWIDE
BALANCE SHEET
AS AT 31 MARCH 2018

Company Number: 265218

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	9	387,817	392,126
Investments	10	1,009,565	770,460
Current assets			
Debtors	11	117,165	85,182
Cash at bank and in hand		907,080	901,624
		<u>1,024,245</u>	<u>986,806</u>
Creditors : amounts falling due within one year	12	<u>(75,256)</u>	<u>(59,243)</u>
Net current assets		948,989	927,563
Net assets		<u>2,346,371</u>	<u>2,090,149</u>
FUNDS			
Unrestricted funds			
General funds	15	576,196	518,406
Designated funds	15	116,708	164,631
Restricted funds	15	1,653,467	1,407,112
Total funds		<u>2,346,371</u>	<u>2,090,149</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

These financial statements were approved by the Trustees on and are signed on their behalf by:

.....
G Powell
Treasurer

The notes on pages 13 to 23 form part of these financial statements

UFM WORLDWIDE**CASH FLOW STATEMENT****YEAR ENDED 31 MARCH 2018**

		2018	2017
	Note	£	£
Net cash inflow from operating activities	A	225,492	152,205
Non-operational cash flows:			
Investing activities			
Payments for purchase of tangible fixed assets		(1,398)	(24,546)
Payments for purchase of investments		(386,750)	(78,797)
Proceeds from the sale of investments		127,722	69,984
Investment income		25,218	22,136
		<hr/>	<hr/>
		(235,208)	(11,223)
Net cash inflow/(outflow) for the year	B	<hr/> (9,716) <hr/>	<hr/> 140,982 <hr/>

The notes on pages 13 to 23 form part of these financial statements

UFM WORLDWIDE

NOTES TO THE CASH FLOW STATEMENT

YEAR ENDED 31 MARCH 2018

A Reconciliation of net movement in funds to net cash inflow from operating activities

	2018 £	2017 £
Statement of Financial Activities: Net movement in funds	256,222	269,586
Investment income	(25,218)	(22,136)
Depreciation	5,707	5,110
Realised net (profit) / loss on disposal of fixed assets	-	606
Net (gain)/ loss on investments	4,751	(105,290)
Increase / (decrease) in creditors: current liabilities	16,013	15,356
(Increase) / decrease in debtors	(31,983)	(11,027)
Net cash inflow from operating activities	225,492	152,205

B Analysis of changes in cash during the year

	2018 £	2017 £	Change £
Cash & cash equivalents	919,657	929,373	(9,716)
	2017 £	2016 £	Change £
Cash & cash equivalents	929,373	788,391	140,982

C Reconciliation of cash at bank and in hand to the balance sheet

	2018 £	2017 £	2016 £
Cash at bank and in hand per Balance Sheet	907,080	901,624	743,914
Short-term deposits	12,577	27,749	44,477
Cash at bank and in hand per Cash Flow Statement	919,657	929,373	788,391

D Cashflow Restrictions

Charity law prohibits the use of net cash inflows on any endowed or other restricted fund to offset net cash outflows on any fund outside its own objects, except on special authority. In practice, this restriction has not had any effect on cash flows for the year.

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention, with the exception of listed investments which are included at market value. The financial statements have been prepared under the 'small companies' provisions of the Companies Act 2006 and in accordance with the Charities Act 2011, the Financial Reporting Standard 102 and the requirements of the Charities Statement of Recommended Practice (SORP FRS 102) based thereon.

The charity is a public benefit entity as defined under FRS102.

The financial statements are prepared on the going concern basis. There are no material uncertainties affecting the ability of the charity to continue as a going concern.

Accounting estimates & assumptions

In the application of the Charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates.

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

Company status

The Mission is a company limited by guarantee and has no share capital. In the event of the Mission being wound up, the liability in respect of the guarantee is limited to £1 per member of the Mission.

Fund Accounting

The Mission's unrestricted funds consist of funds which the Mission may use for its purposes at its discretion.

The Mission has designated certain funds for specific purposes. These are explained in more detail in the notes below. The Council of Management have decided that setting aside funds in this way is a useful financial discipline which will help the Mission make the best use of its resources, even though there is no legal force to the designations.

The Mission's restricted funds are those where the donor has imposed restrictions on the use of the funds which are legally binding. Details of the funds and of the restrictions are given below.

Income

Donations - These are recognised when received by the charity, tax recoverable on Gift Aid donations is recognised when the donation is recognised. When donors specify that donations and grants given to the Charity must be used in future accounting periods, the income is deferred until those periods, likewise when conditions have to be fulfilled before the Charity becomes entitled to use the income the income is deferred and not included until the pre-conditions for use have been met.

When donors specify that donations are for a particular restricted purposes, which do not amount to pre-conditions regarding entitlement, this income is included in restricted funds when receivable.

Legacies - Are included as soon as the Charity is informed of its legal entitlement, the amount due is quantifiable and its ultimate receipt is probable.

Investments - This is included when the interest and dividend amounts are receivable.

UFM WORLDWIDE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2018

1 Accounting policies (*continued*)

Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of the resources. All expenditure includes irrecoverable VAT where applicable.

Raising fund costs, associated with attracting voluntary income, are those incurred in maintaining contact with supporters of the Mission and in developing contacts with new supporters of the Mission. It includes the cost of maintaining area offices in Belfast and Glasgow, deputation expenses, the production and distribution of the Mission's magazine and the costs of conferences to which supporters of the Mission are invited.

Charitable activity costs now include governance costs, which are those incurred in the governance of the Charity and its assets and are primarily associated with constitutional and statutory requirements.

Support costs are those incurred in connection with the acceptance and sending of missionaries to the mission field, and the support of missionaries both on the field and on furlough.

Employee benefits

When employees have rendered service to the charity, short term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The company operates a defined contribution plan for the benefit of its employees. Contributions are expenses as they become payable.

Hire purchase and leasing commitments

Rentals paid under operating lease are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

Taxation

The Charity is exempt from corporation tax on its charitable activities.

Tangible fixed assets & depreciation

Tangible fixed assets with a value of £500 or greater are included in the financial statements at their historical cost less depreciation and are written off over their estimated useful lives by consideration of the estimated residual value, with depreciation being provided at the following rates:

Computer	25% Reducing Balance Method
Audio visual and office electrical equipment	20% Reducing Balance Method
Furniture, fittings and other equipment	12.5% Reducing Balance Method

Freehold land is not depreciated. Freehold buildings are depreciated to write down the cost less estimated residual value over the remaining useful life by equal annual instalments. It is the Mission's policy to maintain all buildings to such a standard that their estimated residual value is not less than their net book value at any given time, therefore no depreciation is charged. An assessment of the recoverable value of the freehold buildings is made on an annual basis.

UFM WORLDWIDE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2018

1 Accounting policies (*continued*)

Investments

Investments are included in the accounts at mid-market value as at 31 March.

All gains and losses are taken to the SOFA as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or purchase value if purchased during the year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value.

Any income from investments is applied to the unrestricted general fund as a contribution towards covering the costs related to the ongoing administration of the mission. Due to the cash flow profile of the commitments the council have been able to invest surplus funds into an investment portfolio to generate a return, whilst also discharging the obligations of the restricted funds.

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid after taking account of any discounts due.

Cash at bank & 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.

Creditors

Creditors are recognised as soon as there is a legal or constructive obligation committing the Charity to pay out resources.

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will 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 discounts due.

2 Donations and gifts

	Unrestricted Funds £	Restricted Funds £	Total Funds 2018 £	Total Funds 2017 £
Support - Field individual	-	2,326,730	2,326,730	2,156,331
Support - Home & team	56,128	-	56,128	32,532
Work projects receipts	-	521,404	521,404	379,723
Other UFM projects	-	172,818	172,818	154,723
Service charge	301,433	-	301,433	263,121
General fund	73,360	-	73,360	78,711
Others	2,715	27,427	30,142	24,989
	<u>433,636</u>	<u>3,048,379</u>	<u>3,482,015</u>	<u>3,090,130</u>

UFM WORLDWIDE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2018

3 Charitable Activities

	Unrestricted Funds £	Restricted Funds £	Total Funds 2018 £	Total Funds 2017 £
Sale of trading items	3,218	-	3,218	1,213
Conferences & house parties	38,067	-	38,067	30,193
	41,285	-	41,285	31,406

4 Investment Income

	Unrestricted Funds £	Restricted Funds £	Total Funds 2018 £	Total Funds 2017 £
Interest receivable	353	-	353	292
Investment dividends & interest	24,865	-	24,865	21,844
	25,218	-	25,218	22,136

5 Expenditure

	Basis of Allocation	Raising Voluntary Income £	Charitable Activity of Missionary Support £	Governance £	Total 2018 £	Total 2017 £
Costs directly allocated to activities						
Missionary support	Direct	-	2,808,024	-	2,808,024	2,573,150
Mission field grants	Direct	-	2,058	-	2,058	2,857
Deputation and field travel	Direct	13,203	19,906	-	33,109	29,026
UFM magazine and literature	Direct	17,262	-	-	17,262	15,073
Publicity and advertising	Direct	4,115	-	-	4,115	3,088
Conferences and house parties	Direct	50,026	-	-	50,026	38,268
Purchase of trading items	Direct	2,383	-	-	2,383	396
Audit fees	Direct	-	-	8,130	8,130	7,302
Support costs directly allocated to activities						
Staff costs	Usage	10,671	347,151	997	358,819	340,938
Office expenses	Usage	1,618	52,610	151	54,379	53,474
Investment management fees	Usage	188	6,084	17	6,289	5,121
Depreciation & loss on disposal	Usage	169	5,522	16	5,707	5,727
		99,635	3,241,355	9,311	3,350,301	3,074,420

UFM WORLDWIDE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2018

6 Net income/(expenditure) for the year

This is stated after charging:

	2018	2017
	£	£
Auditor's remuneration - for audit services	6,740	6,540
- for other services	1,360	1,320
Reimbursement of Council members' expenses	6,638	5,879
Depreciation	5,707	5,110
Exchange rate gains/(losses)	59	(499)
Operating lease payments	2,226	2,226

14 Trustees have been reimbursed for their out of pocket travel expenses (2017: 10). No Trustee received any remuneration during the current or prior year.

Aggregate donations from Trustees, key management personnel, and related parties were £38,174 (2017: £30,176).

7 Staff costs and numbers

The aggregate payroll costs were:

	2018	2017
	£	£
Headquarters' gross salaries	270,984	259,313
Social security costs	21,010	19,806
Staff Death in Service Cover	1,278	1,273
Consultancies	15,941	15,386
Termination costs	29,484	25,985
Staff Pension	19,495	16,115
Other staff costs	627	3,060
	358,819	340,938

The average headcount of employees during the year was:

	2018	2017
	£	£
Administration	13	13

No employee received emoluments of more than £60,000.

The total employment benefits received by key management personnel were £179,993 (2017: £144,575).

UFM WORLDWIDE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2018

8 Fund Comparatives

	Unrestricted Funds £	Restricted Funds £	Total Funds 2017 £
Income from:			
Donations and gifts	375,762	2,714,368	3,090,130
Legacies	95,044	-	95,044
Investments	31,406	-	31,406
Charitable Activities	22,136	-	22,136
Total income	524,348	2,714,368	3,238,716
Expenditure on:			
Raising funds	76,595	-	76,595
Charitable activities	424,675	2,573,150	2,997,825
Total expenditure	501,270	2,573,150	3,074,420
Gain/(losses) on investments	105,290	-	105,290
Net income/(expenditure) for the year & net movement in funds	128,368	141,218	269,586
Total funds at 1 April 2016	554,669	1,265,894	1,820,563
Total funds at 31 March 2017	683,037	1,407,112	2,090,149

The Charity has no recognised gains or losses other than the results for the year as set out above.

9 Tangible fixed assets

	Freehold property £	Freehold improvements £	Computer £	Audio Visual & Electrical Equipment £	Furniture, Fittings & Equipment £	Total £
Cost						
At 1 April 2017	302,831	65,476	22,619	7,880	7,741	406,547
Additions	-	-	1,398	-	-	1,398
Disposals	-	-	-	-	-	-
At 31 March 2018	302,831	65,476	24,017	7,880	7,741	407,945
Depreciation						
At 1 April 2017	-	-	5,383	3,483	5,555	14,421
Charge for year	-	-	4,555	879	273	5,707
Disposals	-	-	-	-	-	-
At 31 March 2018	-	-	9,938	4,362	5,828	20,128
Net book value						
At 31 March 2018	302,831	65,476	14,079	3,518	1,913	387,817
At 31 March 2017	302,831	65,476	17,236	4,397	2,186	392,126

UFM WORLDWIDE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2018

10 Fixed asset investments

	2018 £	2017 £
Market value at 1 April 2017	742,711	628,597
Additions at cost	386,750	78,797
Disposal proceeds	(127,722)	(69,984)
Realised gain/(loss) on investment	37,338	11,220
Unrealised gain/(loss) on investment	(42,089)	94,081
	<u>996,988</u>	<u>742,711</u>
Cash held in deposit	12,577	27,749
Market value at 31 March 2018	<u>1,009,565</u>	<u>770,460</u>
Historical cost at 31 March 2018	<u>892,857</u>	<u>611,829</u>
Investments comprise of:		
Fixed interest securities	157,837	129,419
Equity shares	610,964	515,721
Property & Infrastructure	97,295	71,607
Medium term deposits	143,469	53,713
	<u>1,009,565</u>	<u>770,460</u>
Held:		
Within the UK	777,999	613,631
Outside the UK	<u>231,566</u>	<u>156,829</u>

11 Debtors

	2018 £	2017 £
Prepayments	4,130	19,616
Other Debtors	113,035	65,566
	<u>117,165</u>	<u>85,182</u>

12 Creditors: amounts falling due within one year

	2018 £	2017 £
Monies held in Trust	37,669	41,313
Social security and other taxes	5,155	5,694
Accruals	12,344	12,236
Other Creditors	20,088	-
	<u>75,256</u>	<u>59,243</u>

13 Operating Leases

At 31 March 2018 the organisation had total commitments under non-cancellable operating leases as set out below:

	2018 £	2017 £
Within one year	2,226	2,226
Between two to five years	4,452	6,678
	<u>6,678</u>	<u>8,904</u>

UFM WORLDWIDE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2018

14 Movement in funds

	At 01-Apr 2017 £	Income £	Expenditure £	Gains/ (Losses) £	Transfers £	At 31-Mar 2018 £
Restricted funds						
Missionary support	1,403,356	3,048,379	(2,808,024)	-	6,000	1,649,711
Passage fund	3,756	-	-	-	-	3,756
	<u>1,407,112</u>	<u>3,048,379</u>	<u>(2,808,024)</u>	<u>-</u>	<u>6,000</u>	<u>1,653,467</u>
Unrestricted funds						
<i>Designated funds</i>						
Bethany Hall Trust	6,000	-	-	-	(6,000)	-
Revaluation fund	158,631	-	-	(41,923)	-	116,708
<i>General funds</i>	518,406	562,895	(542,277)	37,172	-	576,196
	<u>683,037</u>	<u>562,895</u>	<u>(542,277)</u>	<u>(4,751)</u>	<u>(6,000)</u>	<u>692,904</u>
Total funds	<u>2,090,149</u>	<u>3,611,274</u>	<u>(3,350,301)</u>	<u>(4,751)</u>	<u>-</u>	<u>2,346,371</u>

A transfer of £6,000 has been made from designated funds to the restricted funds for the support of the leader of the Operation Centurion ministry.

Prior year comparatives

	At 01-Apr 2016 £	Income £	Expenditure £	Gains/ (Losses) £	Transfers £	At 31-Mar 2017 £
Restricted funds						
Missionary support	1,261,853	2,714,368	(2,572,865)	-	-	1,403,356
Passage fund	4,041	-	(285)	-	-	3,756
	<u>1,265,894</u>	<u>2,714,368</u>	<u>(2,573,150)</u>	<u>-</u>	<u>-</u>	<u>1,407,112</u>
Unrestricted funds						
<i>Designated funds</i>						
Property reserve	183,599	-	-	-	(183,599)	-
Housing fund	1,936	-	-	-	(1,936)	-
Bethany Hall Trust	6,000	-	-	-	-	6,000
Revaluation fund	67,542	-	-	91,089	-	158,631
<i>General funds</i>	295,592	524,348	(501,270)	14,201	185,535	518,406
	<u>554,669</u>	<u>524,348</u>	<u>(501,270)</u>	<u>105,290</u>	<u>-</u>	<u>683,037</u>
Total funds	<u>1,820,563</u>	<u>3,238,716</u>	<u>(3,074,420)</u>	<u>105,290</u>	<u>-</u>	<u>2,090,149</u>

A transfer of £185,535 has been made from designated funds to the general fund as the council members decided that the designated funds are no longer required.

UFM WORLDWIDE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2018

14 Movement in funds (*continued*)

Description of funds

Restricted funds

Missionary support

Restricted funds comprise gifts and donations given specifically for the support of missionary personnel in the carrying out of their work in the furtherance of the Mission's aims and objectives.

Passage fund

Missionaries no longer contribute from their support funds to the Passage Fund which was used to pay for travel costs to and from the mission fields.

Unrestricted funds

Designated funds

Property reserve

The Property reserve was created from the profit that arose on the disposal of the Mission's former premises in Gunnersbury, London. The reserve has been maintained to provide funds for office accommodation for the Mission and was most recently utilised to part fund the acquisition of the current Mission premises in Swindon.

Housing fund

During 1987, the Council of Management authorised the creation of a Housing Fund, to assist in the provision of housing for missionaries on the field.

Bethany Hall Trust

During the year ended 31 October 1992, the Mission received a request from the Trustees of Bethany Hall, Glasgow that a Trust Fund of £20,000 be established with the Mission by the transfer of that amount to the Mission. No limitations have been set on the use of the fund save only that it be used to help propagate the Christian faith. During the year ended 31 March 2002, the Council agreed that the fund could be used to support the development of the Barnabas Ministry and during the year ended 31 March 2013 the Council agreed that the fund could also be used to support the development of the Operation Centurion ministry. The fund is currently invested in an interest bearing bank account and the interest is credited to the General Fund. £6,000 of the Trust Fund was transferred to the restricted fund for the support of the Operation Centurion ministry during the year ended 31 March 2018

Revaluation fund

The Revaluation fund represents the unrealised gains accrued to date on Fixed Asset Investments included in the balance sheet. Because by nature these profits are unrealised they are not available to fund General Fund expenses and are therefore disclosed separately from the General Fund.

General funds

The General fund represents the free funds of the Mission, which are not designated for particular purposes.

UFM WORLDWIDE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2018

15 Analysis of net assets between funds

	Tangible Fixed Assets £	Investments £	Net Current Assets £	Total £
General funds	387,817	-	188,379	576,196
Designated funds				
Revaluation fund	-	116,708	-	116,708
Restricted funds				
Missionary support	-	889,101	760,610	1,649,711
Passage fund	-	3,756	-	3,756
	<u>387,817</u>	<u>1,009,565</u>	<u>948,989</u>	<u>2,346,371</u>

Prior year comparatives

	Tangible Fixed Assets £	Investments £	Net Current Assets £	Total £
General funds	392,126	-	126,280	518,406
Designated funds				
Bethany Hall Trust	-	-	6,000	6,000
Revaluation fund	-	158,631	-	158,631
Restricted funds				
Missionary support	-	608,073	795,283	1,403,356
Passage fund	-	3,756	-	3,756
	<u>392,126</u>	<u>770,460</u>	<u>927,563</u>	<u>2,090,149</u>