BMS world mission

BMS WORLD MISSION ACCOUNTS 2017-18

BMS WORLD MISSION

Annual report and financial statements

Period ended 31 October 2018

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

Introduction

The Board of Trustees (who are also the Directors for the purpose of Company Law) of the Baptist Missionary Society (also known as 'BMS World Mission' and 'BMS') presents its annual report and audited financial statements for the sixteen month period from inception on 4 July 2017 to 31 October 2018.

The financial statements have been prepared in accordance with the requirements of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (Charities SORP FRS102), effective 1 January 2015 and with Companies Act 2006.

The Trustees' Report is structured as follows:

	Section	Page Reference
1	Reference & administrative details	3
2	Objectives & activities	4
3	Structure, governance & management	5
4	Strategic report	
4.1	Achievements & performance	9
4.2	Plans for future periods	19
4.3	Principle risks & uncertainties	20
4.4	Financial review	21
5	Statement of responsibilities of trustees	24
6	Independent Auditor's report	25
7	Financial statements	28

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

On behalf of the Board of Trustees

Maureen Russell
Chair of Trustees
27 March 2019

Reference and administrative details
Who we are

Members of the Board of Trustees

Unless otherwise stated, Trustees were appointed at the date of incorporation, 4 July 2017.

Mrs Maureen Russell (Chair)
Mr John Slater (Vice Chair)
Mr Robert Ashurst (Honorary Treasurer)
Rev David Ellis
Mr Iain Gordon (to 27 March 2018)
Rev John Western
Dr Kang-San Tan
Rev Lindsay Caplen
Ms Lynn Cadman (from 13 March 2018)
Dr Marion Carson
Rev Maureen Hider
Rev Peter Maycock
Rev Simeon Baker

Executive Directors (key management personnel)

Dr Kang-San Tan (General Director)
Mr Mark Craig (Communications)
Rev Mark Ord (Mission Training & Hospitality)
Rev Peter Dunn (World Mission)
Mr Steve Sanderson (Deputy Director – World Mission)
Ms Valerie Stevens (Finance & Corporate Services)

Auditors
BDO LLP
2 City Place
Beehive Ring Road
Gatwick
RH6 0PA

Solicitors
Anthony Collins Solicitors LLP
134 Edmund Street
Birmingham
B3 2ES

Bankers
Barclays Bank
123 Broadway
Didcot
OX11 8AW

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

Actuaries
Punter Southall Consulting Actuaries
1 Colmore Row
Birmingham
B3 2BJ

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

Objectives and activities

What we set out to do

1. Charity objects

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

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

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

2. Our Christian faith

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

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

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

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

3. Our charitable activities

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

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

II. Education - enhancing life opportunities by providing access to education for those on the margins, including all ages and especially women. The aim is to enable 50,000 people to access education and training over five years.

III. Justice - enabling individual people and communities to access justice and to advocate for those without a voice and developing justice ministries in four countries. The aim is for 120,000 people to be impacted by justice ministries over five years.

IV. Development – enabling individuals and communities to experience wellbeing, economically, socially and environmentally and intentionally planning for sustainability and resilience. The aim is to enable 100,000 people to develop sustainable livelihoods over five years.

V. Health - helping people experience health and wellbeing through increasing access to training and provision of health and psychological care. The aim is to enable 100,000 people to access health care over five years.

VI. Leadership - empowering strong and effective indigenous leadership by equipping people with leadership skills and biblical understanding. The aim is to develop missional thinking among 20,000 people in the UK and 10,000 people overseas in ten partners over a period of five years.

VII. Relief – working at effective collaborative responses to disasters and building resilience in those areas most at risk. The aim is to coordinate disaster relief responses impacting 100,000 people over a five-year period.

Structure, governance and management

How we do things

1. Governance

i Governing document

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

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

The direction will continue:

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

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

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

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

ii Restrictions to governing powers

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

iii BMS Council

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

The Council meets at least twice a year.

iv Appointment of new Trustees

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

v Induction and training of Trustees

When elected, each new Trustee receives an induction pack including Charity Commission publications and a range of key organisation policies and documents. All Trustees receive an induction, co-ordinated by the Chair of Trustees and the General Director, which includes a presentation on the organisation, an opportunity to meet key staff and a question and answer session. Trustees also have access to a secure intranet web-based system where they can access Board papers and other information. Trustees stay abreast of changes in good practice and legislation. They attended training on good governance and have specifically focused on changes brought by the Fundraising Regulator during the year.

vi Governance structures

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

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

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

2. Organisation structure

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

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

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

Responsibility for our work overseas is supported by a team of Regional Leaders and Partner Leads. Leadership for each ministry is designated to a director or manager. Broadly speaking our work falls into 6 main geographic regions: Asia, sub-Saharan Africa, South America, Europe, Middle East and North Africa.

3. Pay and remuneration policy

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

Salaries of all staff, including the EDT, are reviewed annually, taking inflation and the overall financial position of BMS into consideration. Remuneration levels are also benchmarked every four to five years to ensure the level of remuneration set for key management is in line with roles in similar-sized mission organisations.

4. Related organisations and companies

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

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

iii ***The Baptist Assembly Limited***
This is a charitable company limited by guarantee. BMS is one of two members (the other is BUGB) and appoints half the directors of this company which is responsible for the annual joint assembly of BMS and BUGB. The Directors of the Baptist Assembly resolved to wind up the company on 11 October 2018, and it was dissolved at Companies House on 19 February 2019.

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

5. Investment policy and review of investment performance

i ***Investment powers***
The Trustees have the power to invest in such assets as they see fit.

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

The market value of General Fund investments at 31 October 2018 was £3.4m (2017 £3.3m); endowment and property fund investments were £2.1m (2017 £2.1m).

iii ***Investment selection***
In 2017 the Trustees carried out a review of investment managers, placing emphasis on performance and approach to responsible and ethical investment as important selection criteria. As a result, the investment portfolio was moved during the year in stages to the CCLA Ethical Investment Fund. The General Account and the Endowment Fund allocation benchmarks were reconsidered, and now both are invested in the same fund to achieve investment requirements that balance income and capital growth. Both asset allocations are classified as 'medium' risk.

iv ***Investment performance during the year***
The graph below demonstrates the general investment environment in the last year.

Specifically for BMS, the portfolio grew by 1% in the period from November 2017 to January 2018. The transfer was made to CCLA in tranches during February and March. As can be seen from the graph, this was a period of very weak UK and global equity performance, and the portfolio lost 2% in that period of transfer. In the 9 months since the first transfer, the fund at CCLA has grown by 3%. Investec did not charge any disposal or transfer fee. There was a 0.25% spread cost arising on joining the CCLA Ethical Investment Fund.

6. Grant making policy

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

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

In the year the charity awarded grants of £1.3m (2017: £1.2m). The Trustees' policy is that grants are made against a budget, approved by the Board of Trustees and managed by the Department for World Mission. Grants outside the budget are made from the mission innovation fund for new work, or from the relief fund in response to emergencies.

7. Public benefit statement

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

BMS has consistently delivered public benefits for over two centuries.

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

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

The work of BMS is undertaken in more than 30 countries of the world, giving priority to the most marginalised people, the least evangelised communities and people in the most fragile states. We distribute relief aid and undertake sustainable development without prejudice, irrespective of caste or creed. Through the charity in the last three years more than 600,000 lives have been changed.

Strategic report

Achievements and performance

What we have done so far

1. A note on methodology

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

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

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

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

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

2. Summary of activities during the year

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

   Through local partner movements and the contribution of UK-based mission workers we have sought to share faith through word and deed. In 2017/18 our aim was to meaningfully share the gospel with 100,000 people in the period being reported.

   The major driver for this sector is BMS-funded partner Biglife Ministries. In December 2017, Biglife ran a Christmas party on a truck in Kolkata. Biglife purchased 1,800 Bibles/New Testaments, loaded them on the truck which had a trailer converted into a stage for music and dancing and took the bus to 14 locations in west Bengal. Some 3,500 people were reached by the truck ministry, and 2,500 people responded to the 'Power to Change' message/booklet and received a New Testament. Each of these people were followed up, personally meeting them in their home. The follow-up was done by local group leaders. Around 500 people wanted prayer, and 40 people opened their home so that BMS-supported Biglife workers could hold prayer meetings or dialogue about Christianity. There are now 140 fellowships in Kolkata. Overall, Biglife has started 1,600 groups in the last four months.

   Throughout 2017/18 Biglife also adapted their growth model, placing a stronger emphasis on investing in home group leaders. These homes groups essentially have become churches. BMS enabled 5,000 Home Leaders to be trained in the '3/3rds model', emphasising the need for people to grow as disciples and to be disciple makers themselves. In 2017/18, 1,162 fellowships have been

initiated by those who were trained. This training programme is being spread across other countries in Asia with specific engagement with some of BMS's historic denominational partners such as the Thai Karen Baptist Convention in northern Thailand.

In addition to Biglife, in neighbouring Bangladesh BMS enabled the Bangladeshi Baptist Church Shangha (BBCS) youth conference with the provision of mission workers and speakers from other BMS partners. This event saw nearly 500 young Bangladeshi Baptists gather for prayer, teaching and worship. In addition, BMS supports BBCS outreach among tribal and marginalised people. Funding is used to support evangelism through visiting, relationship building, simple health and social care education, and evangelistic gatherings. In the last year the nine tribal evangelists and church planters who are supported by BMS baptised 19 people. In addition, BMS has supported regional church-based training for those at every level of leadership. The BBCS note that: *"Church deacons' boards know their duties and responsibilities very well now. We also arranged a regional pastor's conference. Pastors are very much encouraged, and they shared their ideas and testimonies about how the Lord blessed them"*. The BBCS also report on the impact of this training at a time when national elections have led to much community discord and where Christians as an extreme minority have felt insecure. John Karmarker, the BBCS Assistant General Secretary notes: *"The spirituality of church life has turned positively. Now they move together, pray together and work together. They show visible unity in the church and society. Spiritually they are growing. There is a trust in Christian people that they are helpful people"*.

It is worth noting that this sector has remained significantly off track to achieve our five-year target. In part this is due to our reporting methodology which categorises partner agencies into ministry sectors. For example, at Guinebor2 hospital, in Chad, in addition to 22,000 beneficiaries of health care, BMS supported outreach initiatives have meant that 16,500 community members and care givers have been reached with the good news of Jesus. As Guinebor2 hospital is categorised within the health ministry sector these additional figures are counted within this sector even though they qualify for the church ministry sector.

Following a review across the 23 BMS partner agencies involved in Church work with BMS, it is anticipated that total reach figures in this ministry area will be around 170,000 since the start of the strategy period 3 years ago. This is 130,000 below the three-year target of 300,000 and some 330,000 off the 5-year target of 500,000.

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

The BMS education sector position paper establishes the principle of investment in quality education for all, especially those who are at risk. While missionary children hold a certain level of vulnerability, 2017/18 has seen a renewed thrust towards this strategic intent. Through BMS personnel and local partners, BMS has sought to enable access to education and training for those on the margins in locations such as China, Nepal, India, Brazil, Bangladesh, Kosovo and Tunisia.

Establishing Christian schools has historically been a core BMS mission activity. This has often been overlooked in recent years but in India steps have been taken towards safeguarding, early years improvements and improved infrastructure in BMS schools in Delhi and north India.

Investment in missionary schools is a way of enabling multi-agency investment in mission infrastructure. On 28 February 2018, Kathmandu International Study Centre (KISC) opened its newly built centre. This significant project was planned and implemented by BMS worker Angus Douglas. The provision of skilled and motivated individuals such as Angus has proven to be the critical element in developing plans, liaising with stakeholders, mobilising support and delivering a complicated project on time and within budget. The project represents the prospect of KISC having its own property with its own bespoke facilities now designed around the learning needs of the children it nurtures.

In 2017/18 discussions have taken place with mission school partners to encourage them towards capacity transference into local education systems. The exemplar in this area has been KISC Equip. In 2017/18 BMS enabled KISC Equip to train and mentor 2,469 teachers. KISC Equip note growth across rural Nepal. BMS mission workers seconded to KISC Equip now work in 10 out of the 15 new schools established in Lamjung District.

KISC Equip also has significant input to the bodies that oversee the education system in Nepal. In 2017/18 The Teacher Service Commission of Nepal has taken over the new teachers' selection examination. BMS-supported partner worker Kim Khandel, director of KISC Equip and advocate for improved standards in national education standards, notes, *"This is encouraging as the younger generation will take up the teaching profession. At the same time the Nepal government is in the process of making 22,000 temporary teachers permanent. There are a number of temporary teachers in our partner schools. If those teachers become permanent, the disparity between the teachers will not exist and the emotional environment will be better".*

Elsewhere there was progress in the Bangladesh Baptist Shangu & Social Health Education and Development organisation (BBCS-SHED), where an early years education programme where BMS workers and BMS grants are enabling training and facility upgrade with 442 children across 18 Baptist pre-schools. The Education sector position paper notes that early years education is critical to establishing cultures of lifelong learning. This has an impact not only on the child but on their home as well. BBCS-SHED director Mahananda Bairigee notes that: *"The pre-schools program has contributed to socialize the communities through collaborating."* He continues, "*Parents have been highly motivated to send their children to school rather than involving them in works in the agriculture fields and fishing. They believe that their children are getting appropriate basic education. They are aware that their children are being protected from all types of abuse. In this regard all preschool teachers have received training on teaching techniques and child protection policy in order to teach the children*".

BMS was behind in its annual target for beneficiaries in the year of 10,000. However, for the three-year strategy period of 30,000 we are on track with a total of just under 31,000.

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

CLEAR International is a project of the Lawyers' Christian Fellowship, committed to supporting access to justice projects in East Africa. The BMS justice sector position paper aims to promote CLEAR access to justice methodology and to ensure that the church is a strong stakeholder in justice ministry (rather than just the lawyers). This will result in 'good enough' justice that includes alternative dispute resolution for disputants, those affected by injustice more widely and helps to build flourishing communities. BMS-supported partner worker Amos Ogwang has been conducting land rights awareness training and mediations in northern Uganda. This has resulted in many disputes being settled. As a consequence of this new-found peace and certainty, beneficiaries have begun to grow crops, develop land and generate a sustainable level of income.

Amos remarks, "*Heated arguments come up during mediations. A particular mediation meeting was organised by a village chief of a clan called Panyabono. The chief invited myself and Mr Okeny Paul, the local council 3 chairperson of the Sub County, as the chief mediator. Mr. Okeny however turned down the invitation saying the mediation would be a waste of time since one of the parties was overly aggressive. However [BMS partner] UCLF played a key role in making sure that the mediation over a land dispute involving two brothers went ahead. An outcome was agreed and on following up we discovered that the relationship has been restored between the two [brothers]*".

As BMS enables partners to live justly, as well as do justice, Dorothy Kayanja, BMS-supported partner worker at UCLF, has been following up on legal cases and legal education sessions with counselling. She has counselled police officers who have confronted traumatic incidents, counselled youth on avoiding sexual exploitation, spoken on behalf of youth inmates living with HIV in order for them to get more nutritious rations and counselled affected inmates.

Elsewhere, the work of the Association of Mozambican Christian Lawyers (AMAC) has continued to grow with a further two mission workers added in 2017/18. BMS also helped AMAC to move its head office to Maputo from Beira. The change of address also provided a platform for the head office to build upon its dynamic profile of activities. 2017/2018 saw increased numbers of clients and legal education seminars conducted more frequently together with a consistent programme of monthly and student fellowships. Considerable efforts were made to reach the poor and vulnerable where they were situated through a combination of legal education and mobile legal advice. Alongside six staff members in Maputo, a number of tasks have been undertaken by volunteers from AMAC's membership at head office, including teaching, and responding to questions in legal education seminars, attending to AMAC clients, general administration, and mobilising participants. Going

forward, BMS will work with AMAC on capacity-strengthening in areas such as finances and governance as they continue to grow their membership. In 2017/18 AMAC provided access to justice services in 18 districts across Mozambique, from Maputo to Nampula (nearly 2,000kms away).

BMS continues to work towards the mainstreaming of gender justice as a cross-cutting objective through the work of the Gender Charter Group. Over the last year a theory of change was agreed, and some training has been conducted for UK staff.

The justice ministry is bringing significant transformation to the lives of individuals. In year 3, justice ministries reached 24,300 people. We are 17,700 people behind our three-year target of 72,000.

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

As the issue was discussed and reflected upon in the development sector position paper, some clear methodologies have emerged about where BMS will focus attention. For example, much consideration is given to church community mobilisation (CCM) and to the empowerment of churches as community civil society actors. This approach has been seen in training of CCM for staff and mission workers, as well as CCM methodology being implemented in projects in Nepal, Guinea, Peru, Sri Lanka, Mozambique, Bangladesh and Uganda.

BMS also works in various contexts where there are no local churches. In seeking transformative development for fragile communities in Afghanistan it worked with a local partner to enable resilience to 'shocks' at the community level. By improving health through better water sanitation and hygiene as well as enabling increased livelihoods and access to renewable energy sources, several communities experienced positive change. The partner notes that in 2016 many of their beneficiary communities lost crops due to 'rust'. Working with those communities they introduced four different kinds of wheat crops which were 'rust' resistant. Last year the same communities reported much improved harvests and increased food resilience in affected communities.

For several years now, BMS has engaged with Baptist associations in northern Uganda to help people who have been internally displaced by conflict. In 2017/18, BMS supported an agribusiness livelihoods project, providing training and basic agricultural inputs to enable farmers to grow marketable crops such as banana, chili and ginger. By collectively linking farmers to markets, they are now able to generate significantly more income than merely selling a subsistence crop surplus, thereby enabling greater resilience within this fragile community.

In other locations the church functions as a minority player, attempting to bring transformative development to society in spite of comparatively small numbers. In Sri Lanka during the present, though perhaps closing, window of political freedoms, BMS partner LEADS has been active in integral mission awareness programmes. In 2017/18 BMS enabled most of the LEADS staff to be taught basic integral mission principles. In order to enhance knowledge further, six staff from LEADS participated at the Micah Global Consultation in the Philippines. In addition, LEADS then took integral mission learning and child protection training to the churches in Sri Lanka with 190 churches participating. The object was to help churches develop community outreach programmes to address local challenges of poverty. Many church leaders developed and submitted action plans. Pastor W.P. Dhanasena of The Christian Fellowship in Kalawana remarked:

"By conducting awareness programmes in the community, it has also helped us as a church to reach towards those outside of the believing community in a positive way. As through awareness programs like this it is easy to build trust and a good relationship with the community".

In the poor rural communities of Rwenzori mountains in western Uganda, BMS has been enabling environmentally durable livelihoods. Communities have been encouraged to make cooking stove briquettes from compressed rubbish rather than cutting down trees. In recent years deforestation has caused flooding and landslides devastating previously arable land. But making briquettes is hard work. Several community members have abandoned the practice and others have innovated to create greater efficiency by improving heat and longevity of the briquettes. In a community called Nyakasanga beneficiaries have been piloting improved cooking stoves. The improved stoves help the briquettes to burn for much longer with enhanced heat efficiency thus improving the return on the hard work of briquette making.

After three years BMS has had a transformational impact on 87,500 lives, far more than the 60,000 target for this stage of the strategy. We will keep going, working to enable people to lift themselves out of poverty.

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

Within the BMS health sector position paper, it was noted that BMS should be investing in district hospital capacity. At times this will look like staffing and training, and at other times it will mean growing capacity in fragile and complex environments. In addition, BMS will work towards positive public health outcomes, especially in stigmatised areas such as mental health. BMS also recognises the social capital latent within the local church. For example, in working with local churches, pastors are well placed to confront taboo public health issues. Finally, BMS recognises that spiritual healing is an integral aspect of healing the whole person. While progress still needs to be made, in 2017/18 steps were taken to start and grow these areas of the health strategy in BMS partner work around the world.

BMS continues to provide significant support to district hospital capacity in complex contexts. For example, BMS enabled the construction of the new surgery block at Guinebor 2 hospital in Chad. In a country where the few qualified surgeons seem to be ordinarily resident in Europe, it is now hoped that Guinebor 2 will be able to apply to the Pan African Association of Christian Surgeons (PAACS) to be recognised as a training site, thus growing the number of available surgeons resident in Chad.

Enabling district hospitals is not only a case of surgical training and infrastructure, it is also a matter of accountability and professionalism. In this last year, BMS seconded two accountants to reform the Guinebor 2 accounts system. In addition, a further 22,700 people were given life-saving treatment.

Elsewhere in Chad, BMS alongside the Ministry of Health began a process of re-enabling the Bardai Hospital. The provision of two experienced surgeons to reform clinical practice and build trust among people in a remote and fragile corner of Chad has not been without its challenges. Nonetheless, in 2017/18 through BMS support, the hospital provided health care to nearly 1,800 beneficiaries.

BMS mission worker surgeons Andrea and Mark Hotchkin note, *"The clinical work of the hospital is varied and over the year, we have made some important improvements in the quality of care. The numbers of patients are small, but this is of a certain benefit as we seek to bring about large changes in quality of care and organisation at the hospital with an absolute minimum of staff for providing a 24-hour service. It has to be remembered that this is the only structure providing a reasonable level of healthcare for many hundreds of kilometres and that any improvements in numbers represents in many cases patients that simply would not have had treatment elsewhere".*

With regard to public health delivery within contexts of stigma, mental health is both common and stigmatised in Afghanistan. In Afghanistan it is thought that up to 50% suffer from conflict associated trauma. A BMS doctor has headed up our partner's mental health programme which provides training, counselling and clinical remedies. The hope is to train up Afghan mental health specialists to lead this programme and then to transition facilities and programmes into the hands of the Ministry of Health in Afghanistan.

In Nepal, BMS partner International Nepali Fellowship (Nepal) (INFN) work through their flagship medical work at Green Pastures Hospital in Pokhara to improve public health. In 2017/18, BMS supported eight workers to engage in community follow-up and programme oversight. Of the community follow-up BMS supported partner worker Sita Gurung comments, *"When a person is hospitalised or has an illness, having a listening ear to hear their fears and understand their situation is an important part of the healing process. An attentive, supportive presence and the offer of prayer can help bring about renewed hope and healing. Being sensitive to the patient and their families' situation, this is also an opportunity to share the good news of Jesus, in word and action".*

The strategic target is to enable 100,000 people to access health care over five years. In the three years so far, with the wide reach of partners like INFN and significant investment in partners in Afghanistan and Chad, BMS will have supported around 205,800 beneficiaries in its health ministry.

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

In 2017/18 BMS reflected upon the leadership sector and arrived at a position which emphasised the following. Developing mission leadership will use theological institutions as one of many tools to arrive at this goal. Mission leadership comes from learning, reflecting and practicing, therefore extracting people from their contexts of life, ministry and witness into institutions for two or three years creates discontinuity. It is preferable therefore to provide localised, approximate, accessible and relevant mission training for emerging leaders.

BMS has been engaged with supporting the development of church leaders in Bangladesh and through the Baptist Training Academy (BTA) for many years. In 2017/18, BMS mission workers Louise and Peter Lynch supported this programme of the BBCS as they sought to train lay leaders and church deacons in community-based ministry, an approach which takes them out of the seminary. Although BMS support enabled 1,280 people to receive formal training at the College of Christian Theology Bangladesh (CCTB) theological seminary in Dhaka, it was informal BTA teaching which came closer to realising the BMS vision of training where people are located.

The BBCS General Secretary Ashim Baroi comments of the BTA that, *"People are transforming their lives because they know how to make good relationships with people in the community. They know how to live in harmony, peace and justice. Now they know how to rely on one another, trust one another and love each other."*

Inevitably however, institutional learning through seminaries is still a necessary method of theological education but even this context continues to adapt to the development of 'in situ' mission leadership. BMS mission workers David and Dorothy McMillan have been working with the International Baptist Theological Study Centre (IBTSC) in Amsterdam. Over the past 12 months, IBTSC has continued to provide facilities for learning, teaching and research in the context of postgraduate studies (MA and PhD) with students from around the world. During the period there were nine successful PhD graduations. In 2017/18 IBTSC established itself as co-owners of the Digital Theological Library, the fastest growing and largest online, full-text theological library. This has massively enhanced its capacity to service its research students, all of whom are working in their home ministry contexts.

This innovation mirrors the work of BMS partner Bethlehem Bible College who have also moved much of their masters training programme online. Principally this move seeks to enable Palestinian Christian students, many of whom cannot travel freely to the college.

At BMS partner, the Arab Baptist Theological Seminary (ABTS), BMS has enabled four students from across the Islamic majority world to study in the comparative safety of Beirut. This an expensive input as each student's annual fees cost BMS around £8,000 plus the provision of academic staff and the provision of support for management oversight at ABTS. The training given is designed to enable graduates to return and multiply their Kingdom impact in the fragile and difficult communities they return to. Eman, a young female missional leader from Egypt, graduated with her Bachelor of Theology degree in 2018. Eman comments, *"My vision has been refined although it is still the same in essence. My heart is still for the deprived areas of Egypt, but it has now embraced people who have been traumatised such as divorced women and teenagers coming from dysfunctional families. After I graduate, I will be working in the villages where many social ails abound".* Nabila, Master of Divinity graduate from Sudan remarked, *"I thought leadership belonged to certain people who had a certain character – those who enjoyed being in the forefront. This module, as a whole, taught me that each person is a leader or a role model in one way or another. While I don't enjoy being the centre of attention, it is necessary to lead if I am to start a ministry*".

In addition, BMS leadership ministries also includes the development of mission leadership in the UK. This aspect is primarily delivered by the BMS Communications Department. In the last year the department ran multiple events such as Project Cyrus, focusing on mission learning from DPRK, 'Tea for Transformation', helping BMS supporters to understand the changing shape of global mission and 'Inside Track', designed to introduce mission leadership to those training for ministry in Baptist colleges. In addition, BMS enabled mission leadership thinking at every regional ministers' conference and facilitated and contributed to Baptist Assemblies in England, Scotland and Wales. In total, Communications mission training reached 2,900 people. The practice and reflection of mission attracts people to volunteer for periods of short-term missionary work. The BMS short term team enabled 115 people from churches around the UK to participate in voluntary mission ventures around the world in 2017/18.

Following BMS leadership ministry work over the last three years, we have now exceeded the five-year target by more than 7,500 people.

In the UK, BMS impacts leaders through the training it provides, both for its own mission personnel as well as in several other contexts. This year BMS provided training for 105 people through mid and long-term training, the Action Team programme, Volunteer Preparation Weeks and Insight Training Days. In addition to this, BMS' mission training and hospitality department (MTH) hosts and has contributed content for leadership formation in a multitude on contexts. Some are ongoing through the year, such as Baptist Union of Great Britain's (BUGB) Pioneer Conversation (which BMS hosted and contributed to on five separate occasions), The Fellowship of Baptists in Britain and Ireland meets twice a year at BMS Birmingham, where Bristol Baptist College ran a community week (on working and witnessing among other faiths) and Regent's Park College ran their lay course 'Footsteps'. We have also contributed to or organised single events or conferences, such as the various Baptist assemblies in England, Scotland and Wales (which BMS co-funds with the relevant national union) and the conference we organised in collaboration with the Centre for Missionaries from the Majority World and Heart of England Baptist Association, on the theme of migration and mission. In these differing contexts we have engaged with more than 570 people. As a conference centre it is a priority to build a client list of organisations engaged in mission training and planning. In this area of growth, we have hosted the BUGB mission forum, the BUGB Women in Ministry conference, Redcliffe College's Women in Mission conference, WEC, the United Society of Partners in the Gospel, the Navigators, Parish Nurses, the Light Project, Moorlands College, the Queen's Foundation and Formission College. Around 250 people engaged in mission have received hospitality at BMS Birmingham, many of them on multiple occasions during the year.

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

Within the BMS relief sector position paper, it was recognised that BMS has a strategic role in developing a Baptist network for collaborative responses to disasters, that the network should be enabling local capacity to be built and that BMS remains committed to working bilaterally with partners on lower level disaster responses.

In 2017/18 BMS responded to various complex humanitarian situations in a year that saw exceptional levels of dislocation and disaster. The Philippines was struck by two significant typhoons, 'Vinta' and 'Mangkhut'. In the case of super typhoon 'Mangkhut' (local name Ompong) which made landfall 15 September 2018, heavy monsoon rains caused damage bringing landslides, flooding and structural damage to buildings. Over 3.7 million people were affected. BMS responded by providing families with better, stronger and safer shelter. In addition, BMS provided community awareness on sanitation by having toilet and bath cubicles in the shelter construction.

A month earlier, an earthquake in Lombok, Indonesia caused almost 550 deaths with nearly 1,500 people injured. The earthquake had the effect of displacing a further 350,000 people. BMS supplied families with food, hygiene and family support kits and will continue to work with those affected as they recover their livelihoods.

In 2017/18 BMS continued to support the Rohingya refugee communities in Bangladesh, providing support for re-roofing of houses affected by extreme weather in Peru, provided nutrition and support to South Sudanese refugees, provided educational support to Syrian refugees in Lebanon and supported BMS's partner in Sri Lanka with post flood relief and recovery. In addition, BMS continued to work with partners in Nepal as part of the long-term recovery programmes following the devastating earthquake of April 2015.

In the summer of 2017 Nepal was hit by heavy flooding which affected 29 districts. 160 people died, with 1.7 million people directly affected in a range of ways. BMS partner the Multi-purpose Community Development Society (MCDS) has a long history of work of community development work in the Morang District. Among the communities where they work culverts, houses, drinking water system, irrigation canal and agricultural land were destroyed. In February 2018 BMS supported MCDS to provide safer shelters, safe water, livelihoods recovery and disaster risk reduction awareness training. Ms. Goma Bhujel lives with her five family members in Kerabari Ward No. 6 of Morang District, she reports that BMS partner, "*MCDS supported us with cement, iron rod, roofing sheet to construct the house. We tried our best to collect other materials for construction and succeeded to build a small house. It is a stronger and safer house than our previous one……I and my family will never forget this great support.*"

2017/18 also saw a scaling up of the Baptist Relief and Development network (BReaD) which changed its name to the Baptist Forum for Aid and Development (BFAD). BFAD is now a platform for collaborative Baptist responses to humanitarian emergencies which is located within the Baptist World

Alliance (BWA). Three working groups have been initiated to look at programmatic, governance and communication aspects of the reformed network. BMS' Relief Facilitator will be seconded to work with BWA for half of her time in order to meet BMS's strategic commitment to grow this collaborative network.

2. Progress against strategy 2020 targets

In 2017/18 BMS reached an estimated 249,800 beneficiaries bringing the total to more than 635,200 beneficiaries and leaving BMS with a remaining total of around 364,800 people to reach by the end of the strategy period. In total therefore we anticipate reaching our target of impacting over one million lives, and we are targeting improvements in the reach of the Church, Justice and Education ministries whist recognising we may not achieve our strategic aim in every ministry.

Beneficiary reach data for the 3rd year of the strategy 2015 – 2020						
	Years 1 & 2	Year 3	Years 1-3	Remainder to achieve target	Target	% performance based on rate to date
Church	113,551	56,500	170,051	329,949	500,000	57%
Education	25,524	5,312	30,836	19,164	50,000	103%
Justice	29,934	24,375	54,309	65,691	120,000	75%
Development	58,467	30,729	89,196	10,804	100,000	146%
Health	90,818	115,062	205,880	Exceeded	100,000	343%
Leadership	27,277	10,311	37,588	Exceeded	30,000	209%
Relief	41,493	7,519	49,012	50,988	100,000	82%
Total	387,064	249,808	636,872	476,596	1,000,000	106%

3. Contours of mission

a. **Most marginalised** - BMS is committed to spending a third of its resources overseas within countries in the bottom quarter of the UNDP Human Development Index (HDI), in other words, the 'most marginalised countries'.

   In 2017/18 BMS worked in Myanmar, Nepal, Zimbabwe, Uganda, Afghanistan, Haiti, Guinea, Democratic Republic of Congo, Mozambique and Chad all of which fell into the bottom quarter of the HDI. The total spent in those countries was £1.86 million (including pro rata percentage of general overseas costs). This represents approximately 42% of BMS overseas costs (excluding UK costs) and is strongly 'on track'.

b. **Least evangelised** - BMS is committed to spending half of its overseas resources in the least evangelised countries (the least Christianised third of all countries) as defined by international census data and other sources such as Operation Mobilisation's 'Operation World' data (which draws on 'trans-bloc' methodology).

   BMS worked in 16 countries which are regarded amongst the least evangelised, committing in total £2.24m (including a pro rata percentage of other overseas costs). This represents approximately 53% of overseas costs (excluding UK costs).

c. **Fragile states** - Over the period of the strategy, BMS aims to work in 10 out of the 20 most fragile states as defined by the Fund for Peace Fragile State Index (FSI) in any given year during the 2015-2020 strategy. In 2017/18 BMS provided personnel and funding to affected people from eight of the bottom 20 fragile states. These were South Sudanese refugees in Uganda (South Sudan is ranked 1 in the FSI) and Syrian refugees in Lebanon (with Syria ranked 4). In addition, regular work was enabled in DR Congo (ranked 6), Chad (ranked 8), Afghanistan (ranked 9), Zimbabwe (ranked 10), Haiti (ranked 12) and Guinea (ranked 13). In addition, plans were developed in 2017/18 for inter-religious dialogue and peace building in Sudan (ranked 7) and Iraq (ranked 11) which will be supported by BMS in 2018/19.

4. Mission mobilisation

Pray
Bringing people from across the UK Baptist constituency (and further afield) lies at the heart of all BMS does. The sense of common purpose, of sharing in God's Kingdom and, on an informed basis, of identifying with some of the most complex, challenging issues in the world changes people, churches and wider networks.

As before, we have continued to focus tightly on three key issues, with many thousands of supporters engaging with these, on a sustained prayerful basis.

The key issues were:

- Prayer Guide
- Day of Prayer
- Project Cyrus

In 2016/17, we renewed the whole style of our Prayer Guide, to make it an annual publication, rather than quarterly. It is fair to say that a significant number of supporters asked us to reconsider that, as they felt (with some justification) that a guide written more than a year in advance was of necessity too general, as it could not respond to more current needs. Given this, we have decided to revert to printing a Prayer Guide three times a year, from next year. This represents the best of how we link with supporters – they realise we need to innovate new solutions, and we realise their wisdom in helping us identify what doesn't work for them.

The annual BMS Day of Prayer was again held in February, with all supporting churches and individuals praying for BMS on that day. As previously, a range of resources were made available online to help churches and individuals to pray on an informed basis, and the BMS staff team worldwide, along with international partners, also took part.

Project Cyrus, our prayer network for North Korea, continued to develop. We again held a number of specific Project Cyrus prayer events for North Korea in a variety of locations, with network members joining BMS staff to pray in detail for specific issues. These events are very sensitive, and we have had to develop a number of low-key security measures to ensure that we know who is in the room at these events.

Give
Our range of ways in which churches and individuals can, and do, give to BMS continued to develop. This is set against a context in which numbers of Baptist churches is declining, with numbers of people attending Baptist churches also declining. In addition, the age of BMS supporters is increasing. These dimensions raise key challenges for BMS, which will be addressed in the early part of 2019 through a comprehensive analysis of income trends and sources, supported by external professional advisers.

The appointment of a Funding Team Leader within the Communications department very helpfully drew together a range of structures and brought increased coherence to them.

That new structure took a lead on the development of a range of programmed appeals, which proved to be very successful; the Bardai appeal being an example of this.

Attention was given to potential for a campaign to attract support from trusts and foundations, and development work for this was undertaken, with a launch planned in due course.

The Significant Partners programme has continued, having been handed to the Funding Team, now that there is capacity to grow it, although this may take some time.

We faced a very significant challenge in following the all-time high Harvest resource income from **Syria's Forgotten Families**. We made the choice to focus on a very different programme, which has less than a dozen beneficiaries. BMS' work at Hope Home in Thailand, where severely disabled children are cared for became the focus of Wonderfully Made, which saw income revert to more normal levels. It is fair to say that the Syria Harvest resource benefitted (by conicidence) from a wave of media interest just at the time we were launching it, and that level of income is unlikely to be seen again, other than through similar media circumstances.

'General giving' to BMS continues to slide slowly, despite our very best efforts to shore it up, while at the same time diversifying our offer to supporters. This category remains very significant, representing the outworking of ongoing structural relationships between BMS and churches.

In our 24:7 Partners programme, 1,700 people are Partners together contributing £0.45m to BMS in 2017/18, against a target of £0.48m, 2016/17 (£0.45m).

Go

Across the whole of BMS' long history, one aspect has never changed – the willingness of people from UK churches to volunteer to go to serve God in other countries.

That can feel like an old-fashioned concept (and can also come across as a bit colonial) but nothing could be further from the truth. In today's BMS, we regularly see people of all ages, from all walks of life and from all 'flavours' of evangelical faith coming forward to make the same offer. They live in a post-colonial world, and through our training programmes, we are able to help them develop that perspective.

People come to us offering their service on a variety of bases, from a couple of weeks to long-term commitments, which can be for decades.

These people mostly come to us having had their thinking shaped over many years, by their church, by their exposure to BMS and by their walk with God.

We again made dozens of long-term opportunities for service known through our web site, with those opportunities being read in total by 6,200 people. We did not, in the end, have any applicants for our main training programme, although we continued to provide a whole range of training opportunities at BMS Birmingham.

Our Action Teams programme continues to draw the attention of dozens of young people, and we sent 18 talented young people in teams to 5 countries. They served in location between October 2017 and March 2018, before undertaking, in their small teams, an eight-week tour of UK churches (visiting more than 60 churches in the process), to highlight their experiences and encourage those who helped make their opportunity possible, through prayer and giving.

BMS' Mission Training & Hospitality department (MTH) has also been involved in mission mobilisation through training, preparing mission personnel and Action Teams to engage with churches and other groups in the UK on mission issues. The MTH team contributed to strategic events for and with groups engaged with working among millennials, with those developing mission links with majority black and ethnic churches, with 'Together Free' which works at mobilising churches to engage with the issue of modern slavery, and with Urban Life, which engages at various levels with contexts of marginalisation within the UK. MTH also contributed to strategic events with the Baptist Union of Great Britain, aimed at those engaged in recognised pioneering mission contexts. The team also contributed to BMS publications, notably Mission Catalyst, and engaged with around 80 people in this area of strategic planning and reflection.

Plans for future periods

What we plan to do next

Following the development in 2018 of ministry positioning papers, setting out BMS' approach to each ministry more clearly, approaches to widening our impact have been developed.

Plans have begun to add capacity to the UK staff team by recruiting a staff member with the specific task of encouraging discipleship and evangelism. They will be tasked with encouraging, resourcing and growing existing church groupings and initiating fresh movements as well. One aspect of this is a new emphasis of BMS on equipping the Baptist denomination in the UK with lessons from the church in the global south. There is particular interest in the application of Disciple Making Movement (DMM) principles in a UK and wider European context.

In addition, BMS is actively engaging with existing partners in this sector to encourage them in discipleship and evangelism. Specifically, the Thai Karen and the Bangladesh Baptists are groups where BMS is intentionally developing partnerships in this sector to encourage church growth.

Within education work, BMS will aim to continue in support of KISC Equip, seek to ensure support for the early years programme in Bangladesh and encourage partners in Albania, notably GDQ, to consider ways of sharing its capacity to improve the quality of indigenous education. We also plan to ensure support for missionary children in remote locations with bespoke support in northern Uganda.

In justice work, BMS's principal partner UCLF will be undergoing a change of leadership and will also lose its paralegal advisory service project. This will impact the partner significantly and it will impact BMS reach numbers in the justice ministry sector. BMS aims to ensure that mentoring and support is given to UCLF as it weathers these transitions. Elsewhere bolstering the team and developing a stronger oversight on aspects of finance and governance with AMAC, in Mozambique will be another focus.

Health ministry remains a strong focus for BMS in 2018/19 in spite of far exceeding targets by the end of year 3. Significant opportunity exists with the Chadian Health Ministry to develop health in the Tibesti. This builds upon BMS's growing reputation as a provider of quality health care in Chad. It is an opportunity which needs to be explored and grasped if possible. In Guinebor 2, in southern Chad, BMS plans to recruit additional personnel to spearhead hospital management, general medicine and public health programmes. However, we will also seek to solidify critical partnerships and build stronger sustainability in key medical partner institutions.

Within leadership ministry we will seek to strengthen links with IBTSC in Amsterdam and support the growth of peace building initiatives from ABTS which will now span into diverse contexts such as Sudan and Iraq. This is part of an intentional desire to mentor and resource emerging leaders in complex environments. In addition, BMS will develop a mission mobilisation plan to ensure that messaging, recruitment and mission learning in the UK is stream lined and provides improved outcomes.

Development ministry also continues to grow. BMS plans to support asset-based approaches to the development of livelihoods in locations such as Sri Lanka, Guinea, Nepal and Mozambique. In addition, as BMS seeks to confront stigmatised or 'at risk' groups, it is hoped to initiate a programme designed to help partners develop more robust child protection policies and practices.

Within relief ministry the embedding and streamlining of the BFAD group is the critical priority. We will aim to provide technical support to the Baptist World Alliance in order to grow this network to the point of having clear membership, messaging and participation mechanisms completed in 2018/19, thus strengthening the ability of the wider Baptist network to improve its responses.

With regard to the longer term, BMS is in consultation with a wide range of stakeholders as we seek God for our ongoing strategy 2021 – 2025. BMS is also engaging with other mission agencies who are in the process of re-evaluating and re-imagining their understanding and approach to mission and in 2019 will be co-hosting 'The Future of Mission Symposium' to hear how majority world missiologists understand the crucial issues in mission today, how they view the Western mission model, and lessons we can learn from non-Western mission movements. It will be a very practical learning event, aimed at developing next steps and intended to be the beginning of a journey together.

In 2019, BMS will be consulting with church and international partners in Brazil, African partnerships, South Asia and the Middle East as well as Britain to co-discern the future of BMS mission priorities. We will continue to be committed to the least evangelised and most marginalised regions. At the same time, we envision future

growth towards growing indigenous network missions with our regional partners, new mission movements with former Action Teams (Generation Z), exploring new relationships with black, Asian and minority ethnic (BAME) churches, and the re-evangelisation of Europe as a mission context.

A comprehensive analysis of income trends and sources will also be undertaken, with the aim of targeting new sources of income for the future, to address the challenges of the decline and aging of our current demographic base.

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**
Security issues are faced by BMS mission workers and staff as a result of the BMS strategy to work in fragile states amidst pronounced global insecurity.	BMS has a comprehensive 24-hour crisis management policy, with detailed procedures for handling events of whatever nature, be they health-emergencies or issues related to personal safety. Our commitment to work in dangerous places requires us to embrace, but minimise, a certain level of risk. When necessary BMS withdraws mission personnel or moves them to less risky locations; during 2018 a wide review of the BMS crisis management response plan was undertaken.
BMS support comes primarily from the Baptist denomination which provides a loyal and consistent support base. However, BMS is vulnerable to the financial strength, risks and uncertainties of the Baptist Unions of Great Britain, Scotland and Wales and their member churches. This is particularly exacerbated with the risks to the UK economy from Brexit and the giving capacity of our supporters.	An independent but close relationship is maintained with the three mainland Baptist unions to stay abreast of their own risks and uncertainties. A direct communication and church partner programme has been developed to enhance direct relationships with over 2,000 churches and our individual supporter base. BMS continually strives to manage costs and find alternative ways to work in order to ensure ongoing effective use of resources.
BMS' defined benefit pension scheme is open to risks of increasing liabilities relative to the value of investments.	The scheme is closed to future accrual. The employer covenant is strong and BMS works with the Pension Trustee and its advisers to understand and mitigate the risks. The investment strategy incorporates hedging against both currency and interest rate risk.
Issues around the protection of children and vulnerable adults in its care and in the care of mission workers.	Well-developed communication and safeguarding processes are in place and BMS has the lowest level of tolerance of this risk.
The direct risk from Brexit is considered to be potential impact on exchange rates.	BMS' normal policy is to accept averaging of exchange rates over the year, however we consider the potential impact of a weakened pound to be so serious that forward exchange contracts are in place not only to cover currency commitments, but also sterling commitments where they relate to expenditure in other countries.

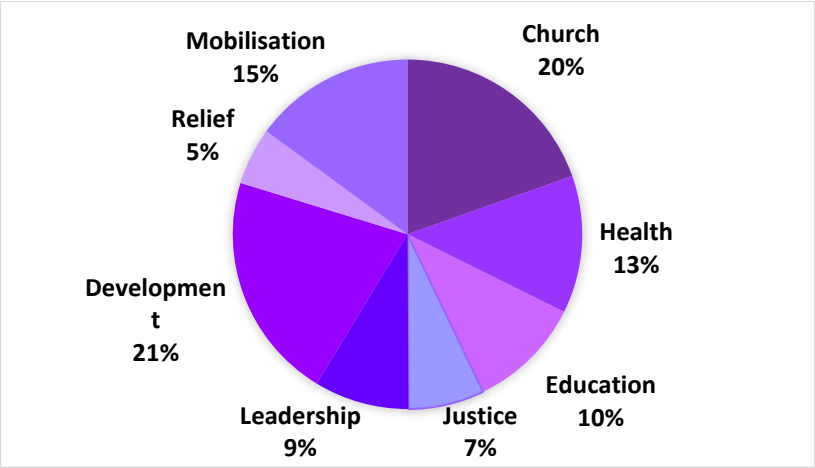
Financial review

About our finances

1. Expenditure

Total expenditure for 2018 was £7.4m (2017 £7.8m) of which £7.1m (2017 £7.5m) was committed to supporting and developing the various charitable objects of BMS; this represents 96% (2017 96%) of total expenditure.

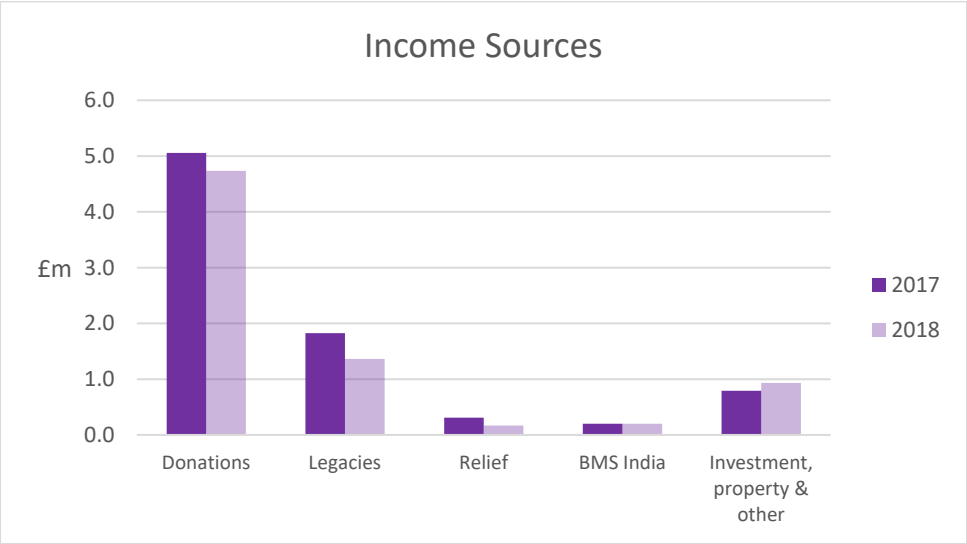
How we spent charitable expenditure of £7.1m



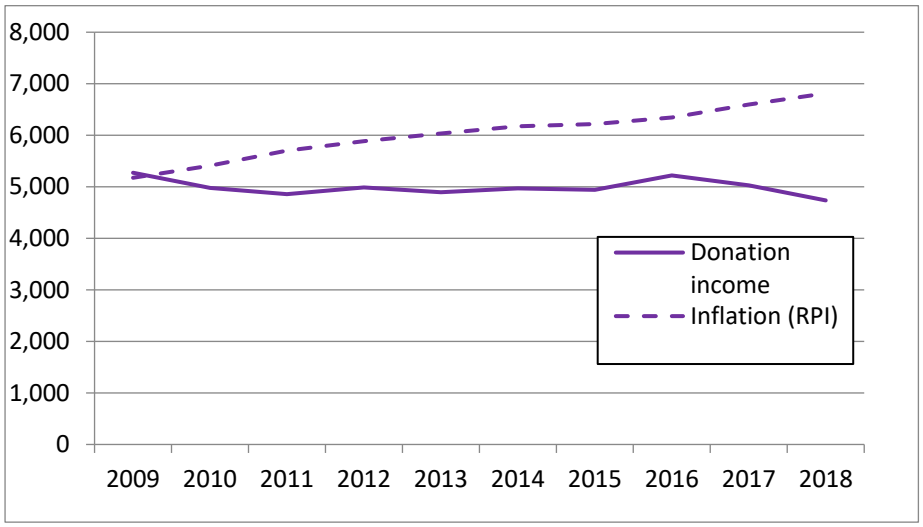
2. Income

The total income was £7.4m (2017 £8.2m). 2017 was particularly high as a result of legacy income and our expectation for 2018 was for a reduction, but the results reflect a reduction in all major sources of income.

Three years ago, Trustees put in place a progressive income generation strategy that focuses on maintaining the support from Baptist churches whilst developing new funding streams including our 24:7 Partners programme. Despite this there has been a decline in our core donation income in the UK to £4.7m (2017 £5.0m). We value the generosity and faithfulness of our supporters who left legacies amounting to £1.3m (2017 £1.8m). BMS India income of £0.2m (2017 £0.2m) was primarily donations from visitors to the Kolkata guesthouse.



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



3. Movement in funds

Taking the charity's funds in total, there was net expenditure of £7k (2017 net income £376k) for the period ended 31 October 2018, a net gain of £82k (2017 £360k) from the appreciation in value of the investment portfolio held by the charity, an actuarial gain on the defined benefit pension schemes of £1.4m (2017 £2.3m) and an exchange loss on assets held overseas of £59k (2017 £27k). The overall position was a net increase in total reserves of £1.4m (2017 £3.0m).

4. Reserve policy and financial position

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

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

The free reserves at 31 October 2018 were £5.2m (2017 £4.8m). Trustees maintain a financial plan to manage the budget so that the target level of reserves is achieved and maintained. Such plans will take into account the long-term funding status of the charity's pension scheme and ensure that deficit payment commitments are met.

The charity also holds funds designated for specific purposes, without restricting or committing the funds legally. At the end of the year, £6.0m (2017 £6.1m) was held in the fixed asset fund, representing the net book value of the charity's unrestricted fixed assets, to indicate that these resources are not available for other purposes. £0.1m (2017 £0.1m) remains for renovations at our centre in Birmingham. A portion of this will be used in 2019. The Mission Innovation Fund has been replenished to £0.1m (2017 £0.1m) to be used during 2019 for innovative mission initiatives not included in our budgeted expenditure. £10k (2017 £2k) of the Carbon Offset Fund has been used to contribute towards environmental projects. £0.2m was held in the opening balance in anticipation of settling the BMS share of the Baptist House pension liability in full and in 2018 this was paid to the Baptist Union of Great Britain to settle the liability to the Baptist Union Staff Pension Scheme.

The triennial valuation of the BMS defined benefit pension scheme was carried out as at 31 December 2015. The next valuation will be as at 31 December 2018 but results of this will not be available until 2019. The deficit

in 2015 was calculated to be £2.4m. During 2018 deficit contributions of £0.3m were paid. The deficit valuation at 31 October 2018 was £1.7m (2017 £3.2m). The total reported deficit in 2017 was £3.4m, the difference being a share of the Baptist House Ltd deficit, amounting £0.2m. As part of the wind-up of the Baptist House pension scheme a payment was made in 2018 and as a result there is no remaining Baptist House Limited deficit.

Endowment funds
Included in the balance sheet are endowment funds totalling £1.9m (2017 £1.9m), the capital element not being available to be spent.

Restricted Funds
Restricted funds are subject to specific conditions imposed by donors. The reserves policy for restricted funds is for sufficient assets to be held to meet the obligations of each fund and this is the case as at 31 October 2018, total £1.7m (2017 £1.9m).

5. BMS India

The accounts of BMS India have been consolidated with BMS. BMS India reserves of £0.5m (2017 £0.5m) are included in the restricted fund balance at 31 October 2018.

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

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

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

7. Pension Fund arrangements

Following a review of our Pension Fund arrangements for UK staff and overseas mission workers, the defined benefit scheme was closed to future accruals and a defined contribution section of the scheme was opened on 1 November 2010. The defined contribution scheme is managed by Friends Life and performance has met agreed targets. The defined benefit section of the scheme has been in deficit. The triennial valuation at 31 December 2015 showed a funding deficit of £2.4m. A revised ten-year recovery plan was agreed with the Pension Trustee submitted to the Pensions Regulator. Under the plan payments are due by 1 September 2019, 2022, 2025 and 2026. A deficit payment of £340,000 was paid in 2018. The Trustees are pleased that a de-risking and re-risking strategy is in place, including investing a portion of fixed interest investments into Liability Driven Investment funds. This strategy is designed to reduce volatility of funding levels.

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

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

The major financial concern that BMS faces is the impact of Brexit on exchange rates and the UK economy to the extent that it affects our supporters. These matters are considered further under the section 'Principal Risks and Uncertainties'.

Statement of Trustees' responsibilities

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

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

In preparing these financial statements, Trustees are required to:

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

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

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

9. 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.

10. Auditors

BDO LLP expressed their willingness to continue in office.

The Trustees' Annual Report, including the Strategic Report, was approved by the Trustees on 27 March 2019 and signed on their behalf by:

Maureen Russell
Chair of Trustees
27 March 2019

INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF BMS WORLD MISSION

Opinion

We have audited the financial statements of BMS World Mission ("the Parent Charitable Company") and its subsidiaries ("the Group") for the period ended 31 October 2018 which comprise the Consolidated and Parent Charity Statement of Financial Activities, the Consolidated and Parent Charity Balance Sheets, the Consolidated and Parent Charity Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 October 2018 and of the Group's incoming resources and application of resources and the Parent Charitable Company's incoming resources and application of resources for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions related to going concern

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

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

Other information

The other information comprises the information included in the Annual Report and Financial Statements, other than the financial statements and our auditor's report thereon. The other information comprises: The Trustees' Report, which includes the Directors' Report and the Strategic report. The Trustees are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report, which includes the Directors' Report and the Strategic report prepared for the purposes of Company Law, for the financial period for which the financial statements are prepared is consistent with the financial statements; and

- the Strategic report and the Directors' Report, which are included in the Trustees' report, have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Parent Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatement in the Strategic report or the Trustee's report.

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

- adequate accounting records have not been kept by the Parent Charitable Company, or returns adequate for our audit have not been received from branches not visited by us; or

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

Responsibilities of Trustees

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

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under the Companies Act 2006 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in

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

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

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

Use of our report

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

Don Bawtree (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
Gatwick, West Sussex
Date

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

		2018				Pro-forma 2017			
	Notes	Unrestricted Funds £,000	Restricted Funds £'000	Endowment Funds £'000	Total 2018 £'000	Unrestricted Funds £,000	Restricted Funds £'000	Endowment Funds £'000	Total 2017 £'000
Income from:									
Donations and legacies	2	5,610	837	-	6,447	6,238	1,112	-	7,350
Charitable activities		20	-	-	20	26	-	-	26
Investment income	3	171	16	-	187	152	13	-	165
Other income	4	702	65	-	767	592	67	-	659
Total income		**6,503**	**918**	**-**	**7,421**	**7,008**	**1,192**	**-**	**8,200**
Expenditure on:									
Raising funds		328	-	-	328	296	2	16	314
Charitable activities									
Church		1,336	9	-	1,345	1,219	12	-	1,231
Education		671	234	-	905	908	159	-	1,067
Justice		481	9	-	490	451	10	-	461
Development		1,348	127	-	1,475	1,354	108	-	1,462
Health		551	343	-	894	374	515	-	889
Leadership		604	2	-	606	510	2	-	512
Relief		171	192	-	363	212	252	-	464
Mission mobilisation		1,022	-	-	1,022	1,424	-	-	1,424
		6,184	916	-	7,100	6,452	1,058	-	7,510
Total expenditure	5	**6,512**	**916**	**-**	**7,428**	**6,748**	**1,060**	**16**	**7,824**
Net income / (expenditure) before movement on investments		**(9)**	**2**	**-**	**(7)**	**260**	**132**	**(16)**	376
Net gains on investments		54	10	18	82	208	-	152	360
Net income		**45**	**12**	**18**	**75**	**468**	**132**	**136**	**736**
Transfers between funds	9	237	(245)	8	-	225	(225)	-	-
Other recognised gains/(losses):									
Actuarial gains / (losses) on defined pension scheme		1,368	-	-	1,368	2,325	-	-	2,325
Exchange differences		-	(59)	-	(59)	(1)	(26)	-	(27)
Net movement in funds		**1,650**	**(292)**	**26**	**1,384**	**3,017**	**(119)**	**136**	**3,034**
Reconciliation of funds:									
Total funds brought forward		8,010	1,946	1,946	11,902	4,993	2,065	1,810	8,868
Total funds carried forward		**9,660**	**1,654**	**1,972**	**13,286**	**8,010**	**1,946**	**1,946**	**11,902**

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

The notes on pages 32 to 50 also form part of these financial statements

	Notes	2018 Unrestricted Funds £,000	2018 Restricted Funds £'000	2018 Endowment Funds £'000	2018 Total 2018 £'000	Pro-forma 2017 Unrestricted Funds £,000	Pro-forma 2017 Restricted Funds £'000	Pro-forma 2017 Endowment Funds £'000	Pro-forma 2017 Total 2017 £'000
Income from:									
Donations and legacies	2	5,610	630	-	6,240	6,238	920	-	7,158
Charitable activities		20	-	-	20	26	-	-	26
Investment income	3	171	4	-	175	152	1	-	153
Other income	4	702	53	-	755	592	56	-	648
Total income		**6,503**	**687**	**-**	**7,190**	**7,008**	**977**	**-**	**7,985**
Expenditure on:									
Raising funds		328	-	-	328	296	2	16	314
Charitable activities									
Church		1,336	9	-	1,345	1,219	12	-	1,231
Education		671	52	-	723	908	12	-	920
Justice		481	9	-	490	451	10	-	461
Development		1,348	127	-	1,475	1,354	108	-	1,462
Health		551	343	-	894	374	515	-	889
Leadership		604	2	-	606	510	2	-	512
Relief		171	192	-	363	212	252	-	464
Mission mobilisation		1,022	-	-	1,022	1,424	-	-	1,424
		6,184	734	-	6,918	6,452	911	-	7,363
Total expenditure	5	**6,512**	**734**	**-**	**7,246**	**6,748**	**913**	**16**	**7,677**
Net (expenditure) / income before movement on investments		(9)	(47)	-	(56)	**260**	**64**	**(16)**	308
Net gains on investments		54	10	18	82	208	-	152	360
Net income		**45**	**(37)**	**18**	**26**	**468**	**64**	**136**	668
Transfers between funds	9	237	(245)	8	-	225	(225)	-	-
Other recognised gains/(losses):		-	-	-	-	(1)	-	-	(1)
Actuarial (losses) / gains on defined pension scheme		1,368	-	-	1,368	2,325	-	-	2,325
Net movement in funds		**1,650**	**(282)**	**26**	**1,394**	**3,017**	**(161)**	**136**	**2,992**
Reconciliation of funds:									
Total funds brought forward		8,010	1,435	1,946	11,391	4,993	1,596	1,810	8,399
Total funds carried forward		**9,660**	**1,153**	**1,972**	**12,785**	**8,010**	**1,435**	**1,946**	**11,391**

The notes on pages 32 to 50 also form part of these financial statements

		BMS Group		BMS World Mission	
		2018	Pro-forma 2017	2018	Pro-forma 2017
	Notes	£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	*11*	6,731	7,072	6,396	6,692
Investments	*12*	5,525	5,443	5,525	5,443
Total fixed assets		**12,256**	**12,515**	**11,921**	**12,135**
Current assets					
Stock		11	13	11	13
Debtors	*13*	2,037	1,690	2,017	1,667
Investments		175	149	19	19
Cash at bank and in hand		1,235	1,582	1,184	1,519
Total current assets		**3,458**	**3,434**	**3,231**	**3,218**
Liabilities					
Creditors: amounts falling due within one year	*14*	(724)	(671)	(663)	(586)
Net current assets excluding pension liability		**2,734**	**2,763**	**2,568**	**2,632**
Defined benefit pension scheme liability	*15*	**(1,703)**	**(3,376)**	**(1,703)**	**(3,376)**
Total net assets		13,287	11,902	12,786	11,391
The funds of the charity	*9*				
Endowment funds		1,972	1,946	1,972	1,946
Restricted income funds		1,654	1,946	1,153	1,435
Unrestricted funds					
Designated funds		6,204	6,540	6,204	6,540
General funds (free reserves)		5,160	4,846	5,160	4,846
Total funds excluding pension reserve		14,990	15,278	14,489	14,767
Pension reserve		(1,703)	(3,376)	(1,703)	(3,376)
Total funds		**13,287**	**11,902**	**12,786**	**11,391**

The financial statements on pages 28 to 50 were approved by the Trustees on 27 March 2019 and signed on their behalf by:

Maureen Russell Chair of Trustees Date: 27 March 2019

The notes on pages 32 to 50 also form part of these financial statements.

		BMS Group		BMS World Mission	
		2018	Pro-forma 2017	2018	Pro-forma 2017
		£'000	£'000	£'000	£'000
Cash flow from operating activities:					
Net cash provided by/(used in) operating activities	*(a)*	(676)	208	(744)	134
Cash flows from investing activities:					
Dividends, interest and other income from investments		187	165	175	153
Proceeds from sale of tangible fixed assets		339	-	339	-
Payments to acquire tangible fixed assets		(112)	(1,011)	(105)	(988)
Proceeds from sales of investments		4,730	650	4,730	650
Purchase of investments		(4,992)	(397)	(4,992)	(397)
Net cash (used in)/provided by investing activities		**152**	**(593)**	**147**	**(582)**
Change in cash and cash equivalents in the year		(524)	(385)	(597)	(448)
Cash and cash equivalents at the beginning of the year		1,993	2,405	1,800	2,248
Change in cash and cash equivalents due to exchange rate movements		(59)	(27)	-	-
Cash and cash equivalents at the end of the year		**1,410**	**1,993**	**1,203**	**1,800**
(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)		75	736	26	668
Depreciation		280	244	262	227
(Gains) on investments		(82)	(360)	(82)	(360)
Investment income		(187)	(165)	(175)	(153)
(Profit) from sale of fixed assets		(200)	-	(200)	-
Currency re-translation on fixed assets		34	17	-	-
Decrease in stocks		2	1	2	1
(Increase)in debtors		(347)	(298)	(350)	(308)
(Decrease)/Increase in creditors		53	(155)	77	(129)
Increase(Decrease) in pension fund asset		(304)	188	(304)	188
Net cash provided/(used in) by operating activities		**(676)**	**208**	**(744)**	**134**
Analysis of changes in net funds					
Cash at bank and in hand		1,235	1,582	1,184	1,519
Cash held in investment portfolio		-	262	-	262
Short term deposits		175	149	19	19
		1,410	**1,993**	**1,203**	**1,800**

1 Accounting policies

a *Basis of preparation*

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

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

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

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

The Statement of Financial Activities (SOFA) and Group Balance Sheet consolidate the financial statements of the charity and its wholly-owned subsidiary, Baptist Missionary Society Trust, in India. The financial year end for the subsidiary is 31 March 2018 and its results are consolidated on a line-by-line basis.

The consolidated financial statements have been prepared in accordance with the group reconstruction principles of FRS102 using the merger accounting method for the combination of the group. Accordingly, the group's financial statements for 2017 and 2018 have been prepared as if the CLG had always been the parent company of the group.

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

b *Statutory information*

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

c *Assessment of going concern*

After reviewing the forecasts and projections, the Trustees have reasonable expectation that BMS has no material uncertainties and adequate resources to continue in operational existence for the foreseeable future.

d ***Accounting estimates and judgments***

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

BMS recognises its liability to its defined benefit pension scheme. This involves actuarial estimates which are disclosed in note 15.

BMS has accrued £1,579k of legacy income based on the policy set out in note f below.

e ***Fund accounting***

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

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

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

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

Investment income and gains are allocated to the appropriate fund.

f ***Income***

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

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

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

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

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

g ***Expenditure***

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

h ***Tangible fixed assets and depreciation***

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

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

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

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

i ***Freehold land and buildings***

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

j ***Investments***

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

k ***Joint arrangement***

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

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

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

m ***Pensions***

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

The resulting defined benefit asset or 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.

In addition to these schemes, the charity has a one half share in the liabilities of the Baptist Union Staff Pension Scheme (BUSPS) which relate to Baptist House Ltd. There are multiple employers in the BUSPS and there is not sufficient information to identify each employer's share of the underlying assets and liabilities of the scheme. Accordingly, the scheme is accounted for as though it were a defined contribution scheme and the profit and loss charge for the year represents the employer contribution payable.

n **Foreign currencies**

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

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

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

2 Donations and legacies

	Unrestricted Funds	Restricted Funds	Total 2018	Pro-forma 2017
	£,000	£'000	£'000	£'000
Donations	4,355	549	4,904	5,332
Legacies	1,255	81	1,336	1,826
BMS India	-	207	207	192
	5,610	**837**	**6,447**	**7,350**

3 Investment income

	Group		Charity	
	2018	Pro-forma 2017	2018	Pro-forma 2017
	£'000	£'000	£'000	£'000
UK investment dividends	90	150	90	150
Interest on cash deposits	93	12	81	-
Bank and other interest	4	3	4	3
	187	**165**	**175**	**153**

4 Other income

	Group		Charity	
	2018	Pro-forma 2017	2018	Pro-forma 2017
	£'000	£'000	£'000	£'000
Income from property	116	176	106	176
Profit on sale of fixed assets	200	(1)	200	(1)
Sundry income	451	484	449	473
	767	**659**	**755**	**648**

5 Analysis of expenditure Group

	Direct costs	Grant funding of activities	Support costs	Total 2018	Pro-forma 2017
	£'000	£'000	£'000	£'000	£'000
Expenditure on raising funds:					
Donations and legacies	228	-	100	328	314
Charitable activities					
Church	715	227	403	1,345	1,231
Education	575	113	217	905	1,067
Justice	222	123	145	490	461
Development	688	353	434	1,475	1,462
Health	457	174	263	894	889
Leadership	267	157	182	606	512
Relief	61	193	109	363	464
Mission mobilisation	1022	-	-	1,022	1,424
	4,235	**1,340**	**1,853**	**7,428**	**7,824**

Analysis of expenditure Charity

	Direct costs	Grant funding of activities	Support costs	Total 2018	Pro-forma 2017
	£'000	£'000	£'000	£'000	£'000
Expenditure on raising funds					
Donations and legacies	228	-	100	328	314
Charitable activities					
Church	715	227	403	1345	1,231
Education	393	113	217	723	920
Justice	222	123	145	490	461
Development	688	353	434	1475	1462
Health	457	174	263	894	889
Leadership	267	157	182	606	512
Relief	61	193	109	363	464
Mission mobilisation	1022	-	-	1022	1,424
	4,053	**1,340**	**1,853**	**7,246**	**7,677**

6 Grants Payable

	Asia	Europe	Middle East & North Africa	South America	Sub-Saharan Africa	Total 2018
	£'000	£'000	£'000	£'000	£'000	£'000
Charitable activities						
Church	85	88	41	8	4	226
Education	4	24	71	-	14	113
Justice	14	6	7	-	96	123
Development	123	87	-	12	131	353
Health	48	-	10	-	116	174
Leadership	44	13	77	12	13	159
Relief	146	-	10	13	23	192
Mission Mobilisation	-	-	-	-	-	-
Total	**464**	**218**	**216**	**45**	**397**	**1,340**

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

Country	Partner	£'000
Chad	Guinebor 2 Hospital	53
Lebanon	LSESD	132
Albania	Tek Ura	75
Nepal	NBCC	46
Mozambique	APBAid	37
Sri Lanka	ABC	36
Nepal	INF	60
Uganda	UCLF	50
UK	Health, Hope, Action	51
UK	Cyan International	35
Mozambique	CEBP	35
India	Big Life Ministries	70
	Transform Aid International	32
Various	Other partners <£30,000	628
Total Grants		**1,340**

7 Governance costs

	2018 £'000	Pro-forma 2017 £'000
Audit fee	36	30
Audit Fee overun 2017	33	-
Board of Trustees	14	9
Other governance costs	9	26
Support costs	-	21
	92	**86**

8 Subsidiary

BMS World Mission has a wholly owned 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.

	2018 £'000	Pro-forma 2017 £'000
Total incoming resources	231	215
Total expenditure	(241)	(173)
Surplus for the year	**(10)**	**42**
Total assets	562	596
Total liabilities	(61)	(85)
Funds	**501**	**511**

9 Statement of funds

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

	Balance at 1.11.16	Incoming resources	Resources expended	Realised and unrealised gains	Transfers	Balance at 31.10.17
	£'000	£'000	£'000	£'000	£'000	£'000
Endowment funds						
Cyril Edwards Trust	616	-	(4)	66	-	678
Jane Mursell Trust	665	-	(4)	70	-	731
Joy Bushon Sircar Trust	381	-	-	2	-	383
Other endowment funds	148	-	(8)	14	-	154
	1,810	**-**	**(16)**	**152**	**-**	**1,946**

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

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

The income of the Joy Bushon Sircar Trust is to be used to benefit specific educational and church work in the Barisal area of Bangladesh. The Trust is invested in US dollar securities which have been converted into sterling at the rate ruling at 31 October 2018.

	Balance at 1.11.17	Incoming resources	Resources expended	Realised and unrealised gains	Transfers	Balance at 31.10.18
	£'000	£'000	£'000	£'000	£'000	£'000
Restricted funds						
Emergency relief fund	561	168	(192)	-	(29)	508
Health fund	-	343	(343)	-	-	-
Restricted fixed assets reserve	631	-	-	-	(216)	415
Restricted property funds	128	3	-	10	-	141
India	511	231	(182)	(59)	-	501
Other restricted funds	115	173	(199)	-		89
	1,946	**918**	**(916)**	**(49)**	**(245)**	**1,654**

	Balance at 1.11.16	Incoming resources	Resources expended	Realised and unrealised gains	Transfers	Balance at 31.10.17
	£'000	£'000	£'000	£'000	£'000	£'000
Restricted funds						
Emergency relief fund	601	319	(252)	-	(107)	561
Health fund	-	515	(515)	-	-	-
Restricted fixed assets reserve	642	-	-	-	(11)	631
Restricted property funds	134	1	(7)	-	-	128
India	469	215	(147)	(26)	-	511
Other restricted funds	219	142	(139)	-	(107)	115
	2,065	**1,192**	**(1,060)**	**(26)**	**(225)**	**1,946**

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

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

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

	Balance at 1.11.17	Incoming resources	Resources expended	Realised and unrealised gains	Transfers	Balance at 31.10.18
	£'000	£'000	£'000	£'000	£'000	£'000
Unrestricted funds						
Pension reserve	(3,376)	-	(296)	1,368	601	(1,703)
Designated						
Fixed assets reserve	6,109	-	-	-	(144)	5,965
Baptist House Ltd Pension Scheme	161	-	-	-	(161)	-
Mission Innovation fund	121	-	(98)	-	77	100
Major repairs fund	105	-	-	-	-	105
Other designated funds	44	-	(10)	-	-	34
	6,540	**-**	**(108)**	**-**	**(228)**	**6,204**
General funds						
Free reserves	4,846	6,503	(6,108)	54	(135)	5,160
	8,010	**6,503**	**(6,512)**	**1,422**	**238**	**9,661**

	Balance at 1.11.16	Incoming resources	Resources expended	Realised and unrealised gains	Transfers	Balance at 31.10.17
	£'000	£'000	£'000	£'000	£'000	£'000
Unrestricted funds	(5,513)	-	(360)	2,325	172	(3,376)
Pension reserve						
Designated						
Fixed assets reserve	5,288	-	-	-	821	6,109
Baptist House refurbishment	805	-	-	-	(805)	-
Baptist House Ltd Pension Scheme	233	-	-	-	(72)	161
Mission Innovation fund	121	-	(59)	-	59	121
Major repairs fund	105	-	-	-	-	105
Other designated funds	37	9	(2)	-	-	44
	6,589	**9**	**(61)**	-	**3**	**6,540**
General funds						
Free reserves	3,917	6,999	(6,327)	207	50	4,846
	4,993	**7,008**	**(6,748)**	**2,532**	**225**	**8,010**

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

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

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

10 Employees and Trustee Directors

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

	2018 £'000	Pro-forma 2017 £'000
Allowances and salaries	2,654	2,782
Pension contributions	381	395
National Insurance contributions	154	168
Relocation payments	6	3
	3,195	**3,348**
Average number of employees		
Mission personnel	92	95
Other employees	55	61
	147	**156**

Included in the above employee costs are redundancy costs of £6,096 (2016/17 £26,038). Redundancy costs are provided for when they are estimable and settlement is probable within 12 months. At the balance sheet date there were no redundancy costs awaiting payment.

Employees and trustees

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

	2018 Number	Pro-forma 2017 Number
£60,001 - £70,000	1	-

The total amount of employee benefits, including employer's pension contributions, received by key management personnel for their services during the year was £391,574 (2016/17: £383,800).

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 £61,829 (2016/17 paid to former General Director – £51,092 pro rata for 10 months). Dr Tan was also reimbursed for all necessary expenses incurred in carrying out his duties as an employee of the charity, a total of £7,592 (2016/17 – £3,268 pro rata for 10 months to former General Director). Dr Tan is a member of the charity's pension scheme and contributions totalling £6,164 (2016/7 – £7,938 to former General Director) were paid by the charity during the year.

During the year a total of £5,188 (2016/17: £7,614) was reimbursed to 13 Trustee Directors (2017: 15) in respect of committee expenses. By the nature of our work, several Trustee Directors have close family members who have worked overseas with us during the year. Where they were employed by us or worked as volunteers, they were remunerated or received reimbursement of expenses on the same basis as other employees or volunteers. The remuneration and reimbursement amounted to £0 (2016/17: £24,412). During the year there were three Trustee Directors who have been previous employees of the charity and have rights within the BMS Pension Scheme as deferred pensioners.

11a Group Tangible Assets

	Land and buildings £'000	Furniture and equipment £'000	Motor vehicles £'000	Total £'000
Cost				
01 November 2017	8,747	632	96	9,475
Additions	45	67	-	112
Currency re-translation	(27)	(5)	(2)	(34)
Disposals	(186)	(17)	(18)	(221)
31 October 2018	8,579	677	76	9,332
Depreciation				
01 November 2017	1,966	362	75	2,403
Charge for year	197	80	3	280
Disposals	(47)	(17)	(18)	(82)
31 October 2018	2,116	425	60	2,601
Net book value				
31 October 2018	6,463	252	16	6,731
31 October 2017	6,781	270	21	7,072

11b Charity Tangible Assets

	Land and buildings	Furniture and equipment	Motor vehicles	Total
	£'000	£'000	£'000	£'000
Cost				
01 November 2017	8,423	563	72	9,058
Additions	42	63	-	105
Disposals	(186)	(17)	(18)	(221)
31 October 2018	8,279	609	54	8,942
Depreciation				
01 November 2017	1,948	346	72	2,366
Charge for year	187	75	-	262
Disposals	(47)	(17)	(18)	(82)
31 October 2018	2,088	404	54	2,546
Net book value				
31 October 2018	6,191	205	-	6,396
31 October 2017	6,475	217	-	6,692

12 Investments held by group (Charity Only)

	2018	Pro-forma 2017
Analysis of movements in the year	£'000	£'000
Market value at 1 November	5,443	5,074
Add acquisitions at cost	4,992	397
Less proceeds of disposal	(4,992)	(656)
Net gains for the year	82	366
	5,525	5,181
Cash deposits	-	262
Market value at 31 October	**5,525**	**5,443**
Historical cost at 31 October	3,959	3,959
Analysis of investments held at 31 October		
Pooled Fund	5,136	-
UK listed investments	-	
Direct investments	-	2,601
Indirect investments	-	2,141
	-	**4,742**
Non-UK listed investments		
Indirect investments	389	439
Cash deposits	-	262
	389	**5,443**

During the year the investment portfolio was moved to the COIF Charities Ethical Investment Fund, managed by CCLA.

13 Debtors

	Group		Charity	
	2018	Pro-forma 2017	2018	Pro-forma 2017
	£'000	£'000	£'000	£'000
Trade debtors	103	59	103	59
Other debtors	150	221	130	198
Prepayments	155	132	155	132
Accrued income	1,629	1,278	1,629	1,278
	2,037	**1,690**	**2,017**	**1,667**

14 Creditors: amounts falling due within one year

	Group		Charity	
	2018	Pro-forma 2017	2018	Pro-forma 2017
	£'000	£'000	£'000	£'000
Loans	2	2	2	2
PAYE and Social Security	61	48	61	48
Trade creditors	145	92	145	92
Other creditors	107	108	46	23
Accruals	224	230	224	230
Grants payable	26	120	26	120
Deferred income	159	71	159	71
	724	**671**	**663**	**586**

14a Deferred income

Opening balance	71	0	71	0
Income	159	71	159	71
Expenditure	(71)	0	(71)	0
Closing balance	**159**	**71**	**159**	**71**

15 a Defined benefit arrangements

Until 31 October 2010 the parent charity operated a final salary defined benefit scheme for its permanent employees, which is not contracted out of the State Second Pension. The assets of the scheme are held separately from those of the charity and are invested by the scheme's Trustee, the Baptist Missionary Society Pension Trust Limited, through delegation, within agreed parameters, to their investment managers. The contributions are determined on the advice of a qualified actuary on the basis of a triennial valuation, the most recent completed valuation being as at 31 December 2015.

As part of the valuation, a recovery plan has been put into place under which the Employer has approved to paying deficit contributions due by September 2019 (£1,255,000), September 2022 (£579,000), September 2025 (£579,000) and September 2026 (£193,000). The Employer has also approved payments of £150,000 per annum towards the expected cost of the expenses of running the Scheme and this has been paid on a monthly basis since 1 November 2016.

A full valuation of the liabilities has not been carried out as at 31 October 2018. The liabilities of the Scheme have been calculated by updating the preliminary results of the actuarial valuation as at 31 December 2015 to allow for the passage of time, benefits paid out and changes in actuarial assumptions over the period from 31 December 2015 to 31 October 2018.

Assumptions	**As at 2018**	**Pro-forma 2017**
Discount rate	2.80%	2.70%
Inflation assumption (RPI)	3.50%	3.40%
Inflation assumption (CPI)	2.50%	2.40%
Rate of increase in salaries	2.60%	2.50%
Pension increases:		
Pre 6 April 2006 benefits (RPI max 5%)	3.35%	3.30%
Pre 6 April 2006 benefits (CPI max 5%)	2.50%	2.40%
Pre 6 April 2006 benefits (greater of RPI/CPI max 5%)	3.45%	3.35%
Pre 6 April 2006 benefits (greater of RPI/CPI max 2.5%)	2.30%	2.25%

Assumed life expectancies on retirement at age 65 are:	**As at 2018**	**Pro-forma 2017**
Males retiring immediately	23.1	23.7
Females retiring immediately	24.1	24.9
Males retiring in 20 years time	24.4	25.7
Females retiring in 20 years time	25.6	27.1

The assets in the scheme were:

	Value at 2018	Pro-forma 2017
	£'000	£'000
Equity	13,335	13,734
Bonds	10,948	9,574
Property and infrastructure	1,704	1,594
Liability driven investment	6,509	7,458
Cash and Net current assets	48	35
Fair value of scheme assets	**32,544**	**32,395**

	£'000	**£'000**
The actual return on assets over the period was:	**895**	**2,308**
Present value of funded obligations	(34,247)	(35,630)
Fair value of	32,544	32,395
Deficit in funded scheme	**(1,703)**	**(3,235)**
Net liability in balance sheet	**1,703**	**3,235**

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

	2018	Pro-forma 2017
	£'000	£'000
Benefit obligation at beginning of year	**35,630**	**36,756**
Interest cost	948	1,011
Actuarial (gains) / losses	(1,304)	(872)
Benefits paid	(1,027)	(1,265)
Benefit obligation at end of year	**34,247**	**35,630**

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

	2018	Pro-forma 2017
	£'000	£'000
Fair value of scheme assets at beginning of year	**32,395**	**31,405**
Interest income on scheme assets	865	861
Return on assets, excluding interest income	30	1,447
Contributions by employers	490	150
Benefits paid	(1,027)	(1,265)
Scheme administration cost	(209)	(203)
Fair value of scheme assets at end of year	**32,544**	**32,395**

The amounts recognised in profit or loss:

	2018	Pro-forma 2017
	£'000	£'000
Service cost - administrative cost	209	203
Net interest on the net defined benefit liability	83	150
Total expense	**292**	**353**

Re-measurements of the net defined benefit liability (asset) to be shown in OCI:

	2018	Pro-forma 2017
	£'000	£'000
Actuarial (gains) / losses on the liabilities	(1,304)	(872)
Return on assets, excluding interest income	(30)	(1,447)
Total re-measurement of the net defined benefit liability (asset) to be shown in OCI	(1,334)	(2,319)

Estimation of next year's income statement
The amounts recognised in the income statement are:

	2019
	£'000
Scheme expenses	216
Net interest on the net defined benefit liability	39
Total expense	**255**

During the year ended 31 October 2018, payments totalling £490,000 were made into the Defined Benefit section of the scheme including a capital payment of £340,000 (2016/17 - £150,000). This was a payment against the ten-year recovery plan.

Baptist House Limited

For the employees of Baptist House Ltd (BHL), benefits in respect of services prior to 1 January 2012 are provided through the Defined Benefit (DB) Plan within the Baptist Union Staff Pension Scheme (BUSPS). The charity has a 50% share in BHL and accounts for 50% of the pension transactions and liability.

The table below summarises the main results of the most recent actuarial valuation of the BUSP. This valuation was performed by a professionally qualified actuary using the Projected Unit Method.

Date of valuation	01 January 2017
Date of next valuation due	01 January 2020
Market value of scheme assets (A)	£10.3m
Technical provisions (B)	£16.2m
Deficit {(B) – (A)}	£5.9m
Funding level {(A) / (B)}	64%

The key financial assumptions underlying the valuation were as follows:

Type of assumption	**% pa**
RPI price inflation assumption	3.45
CPI price inflation assumption	2.7
Pensionable Salary increases (CPI plus 1.0% pa)	3.7
Assumed investment returns	
- Pre-retirement	3.5
- Post retirement	2.25
Deferred pension increases	
- Pre April 2009	3.45
- Post April 2009	2.50
Pension increases	
- Pre April 2006	3.25
- Post April 2006	2.15

The Baptist Union of Great Britain (BUGB) invited participating employers to approve a buy-out of the scheme and this was agreed by all employers.

BHL provided £341,000 to BUGB in January 2018 as its share of the projected costs of winding up the scheme to hold on its behalf to facilitate the scheme wind-up. BUGB has used these funds to cover the BHL's share of the agreed contributions and scheme wind-up costs. A contract was signed with Aviva in June 2018 to take on the liabilities of the scheme to its beneficiaries and a wind up of BUSPS was formally triggered on 31st August 2018. The wind-up process is expected to complete in the first half of 2019.

In October 2018 BHL entered into an agreement with BUGB whereby BUGB will take on the BHL's share of the remaining wind-up costs using the funds already provided less £125,742 that was returned Company. BHL therefore made net payments of £215,257 in 2018 to cover its share of the cost of winding up the scheme. A further £7,420 of contributions had been made by the company in November and December 2017, giving total contributions made in the year of £222,677

Whilst BHL legally remains a participating employer in the scheme until the completion of the wind-up process, the directors of BHL consider that the agreement with BUGB makes it a remote possibility that there will be any further costs to be borne by the company, so the remaining provision for past service costs has been released, resulting in a gain of £67,879.

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

	2018	Pro-forma 2017
	£	£
Current period contributions (defined contribution plan)	3,198	353
Multi-employer defined benefit plans:		
Net interest expense	4,012	4,197
Actuarial re-measurement of pension liability	(33,940)	(2,932)
	(26,730)	1,618

16 Analysis of net assets between funds

	Unrestricted Funds £'000	Designated Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2018 £'000	Pro-forma 2017 £'000
Tangible fixed asse	-	5,981	750	-	6,731	7,072
Investments	3,412		141	1,972	5,525	5,443
Current assets	2,411	223	824	-	3,458	3,434
Current liabilities	(663)	-	(61)	-	(724)	(671)
Pension fund	(1,703)	-	-	-	(1,703)	(3,376)
	3,457	**6,204**	**1,654**	**1,972**	**13,287**	**11,902**

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

www.bmsworldmission.org

The Baptist Missionary Society: registered in England and Wales as a charity (number 1174364) and a company limited by guarantee (number 10849689)