

UFM WORLDWIDE
(Limited by Guarantee)

REPORTS & FINANCIAL STATEMENTS

31 MARCH 2019

Company Registration Number 265218
Charity Number 219946
Scottish Charity Number SC039343

UFM WORLDWIDE

FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2019

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UFM WORLDWIDE

REPORT OF THE COUNCIL OF MANAGEMENT

YEAR ENDED 31 MARCH 2019

The Council members, who are also directors of UFM Worldwide (the Mission) for the purposes of the Companies Act, submit their annual report and the audited financial statements for the year ended 31 March 2019. The Trustees have adopted the provisions of the Charity Commission Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard 102 (effective January 2015) and the Companies Act 2006.

Structure, Governance and Management

Governing Document and Objects

UFM Worldwide is a charitable company limited by guarantee and was set up on 7 May 1932. It functions as a missionary organisation and is governed by a memorandum and articles of association, which were last amended on 14 August 2018. Its objects are:

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

Public Benefit

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

Organisational Structure

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

The Council meets in person three times a year; this includes a 24-hour Council Conference to review strategy, Mission policy and operational matters. The Personnel Committee & Finance Committee are made up of Council members and staff members. The Irish Committee and the Scottish Committee are chaired by a Council member but are otherwise made up of other individuals. All committees operate under specific terms of reference and exist to support the Area Directors based in N Ireland and Scotland. Each committee has its decisions ratified by the full Council.

Day to day administration of the Mission is the responsibility of the Executive (Director, Deputy Director, Finance Director), supported by the Senior Leadership Team (Area Director based in Scotland, Area Director based in Ireland, Area Director for N England, The Midlands & N Wales & the Women's Pastoral Worker).

Remuneration for all senior staff is set and reviewed by the Council and is informed by the classroom teacher pay scale.

Council Member Induction and Training

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

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

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REPORT OF THE COUNCIL OF MANAGEMENT

YEAR ENDED 31 MARCH 2019

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

Risk Management

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

- Fluctuations in foreign currency exchange rates. These could lead to currency exchange losses, uncertainty over field allowance rates costs and cause a cash flow impact on operational activities. To mitigate for this, cash flow is monitored and managed and a reserves policy is in place.
- A decline in legacy and general fund giving. This could lead to a fall in total general fund income, limiting the funds available for operations and staffing etc. To mitigate for this, expenditure and alternative streams of income are regularly reviewed. The Mission has been actively seeking to decrease its dependence on legacy income to cover general fund expenditure.
- Failure relating to safety or safeguarding. This could lead to physical or emotional harm to individuals, claims being made against the mission and harm being done to the reputation of the mission. A safeguarding policy is in operation and is covered as part of orientation training for all new staff and mission personnel. Relevant liability insurance policies are also in place. During the 2018-2019 year, one allegation was passed to the Police, in line with our safeguarding policy. This did not relate to any existing staff or missionaries.

Review of main activities

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

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

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

This year has been marked again by growth in missionary numbers, both long term and short term. Excluding summer teams, we served **196 long and short-term workers**. We are not pursuing growth for its own sake, but remain committed to praying for God to raise up workers for the harvest fields. As of 31/03/19 we had:

175 Long term missionaries (2017-2018, 165)

18 joined & 8 finished this year (4 retired, 3 completed their assignments, 1 passed away).

New workers for Ireland, Moldova, Togo, France, Germany, Nicaragua, Uganda & UK, to be involved in church planting, evangelism, children & young people's ministry, student ministry and training ministry.

In the mission family, there are long term workers from:

- 28 different nationalities, serving in 35 different countries
- Sent from 85 churches in 7 nations

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YEAR ENDED 31 MARCH 2019

21 short term workers during the year (2017-2018, 15) in 11 nations.

A further **15 people** served on 3 summer teams (2017-2018, 22)

There are currently **165 children** in the mission.

Pastoral care of the growing number of missionary personnel is a priority. Senior Leadership Team (SLT) members provide pastoral support to complement that coming from sending churches. To that end, SLT members have made visits this year to Nicaragua, Brazil, USA, Myanmar, Singapore, Ivory Coast, Ukraine, Italy, India, Cameroon, Turkey, Ireland, UK, France, West Asia, Spain.

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

Work has continued during the year to provide more staff resource to support the growing work of the Mission. Capacity has increased in the areas of personnel, finance and administration. There are now 18 staff (13 FTE) on the UFM Worldwide team, serving across 3 offices in Swindon, Belfast & Glasgow. 10 formal volunteers complement the work of the staff team and are using their expertise to serve in the following areas – pastoral support, biblical counselling, office support, educational psychology speech therapy and medical advice.

The short-term mission streams of the Mission have been developed, including a new cross-cultural ministry training programme, iWitness, being offered in 8 different locations. Further, a new partnership has been developed with UCCF and IFES to support young graduates serving short-term in cross-cultural student ministry.

A new supporter database was introduced during the year. This coincided with our work to ensure compliance with GDPR and was a timely opportunity for us to refresh our databases and review our communications with supporters.

Financial Review

Review of Funds

During the year, the decision was made to reclassify the missionary support funds from restricted funds to unrestricted designated funds. This measure was taken in order to more accurately reflect the underlying reality of the legal status of the funds as gifts are given without a binding instruction but with a non-binding preference.

Donations designated for missionary support amounted to £3,072,630 in the year compared to £3,048,379 in the previous year. Expenditure in support of missionaries amounted to £3,342,820 compared with £2,808,024 in the previous year. This gives a net decrease in funds designated for missionary support of £270,190 (2018: increase of £246,355).

Income to General funds for the year was £620,663 compared with £562,895 received in the previous year. Expenditure for the year amounted to £583,310 (2018: £542,277).

Total expenditure exceeded income by £232,837 (2018: Income exceeded expenditure by £260,973) before adjusting for movements in the value of the Mission's investments and fixed assets. After adjusting for net gains of £35,323 (2018: losses of (£4,751)) on investment assets and for gains of £177,169 on the revaluation of fixed assets, there was a net movement in total funds of (£20,345) (2018: increase of £256,222).

Investment policy and returns

As permitted by the Mission's memorandum and articles of association, the Council has given the investment managers discretion to manage the investment portfolio within an agreed risk profile. It is the Mission's policy to specifically exclude investments in the tobacco and breweries sectors and pharmaceutical companies involved in research using human foetal material or involved in the production of after fertilisation birth control

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REPORT OF THE COUNCIL OF MANAGEMENT

YEAR ENDED 31 MARCH 2019

products. The general investment aim is to maximise the Mission's total return by a combination of net income plus capital appreciation. The expected return on investments is £30,000 per annum. The return on investments this year was £33,199 (2018: £25,218).

Fundraising Activities

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

Reserves

The reserve requirement of the Mission is reviewed annually. Each review seeks to reflect on the current level of income and expenditure and the need to match variable income with fixed commitments. The review also takes into account the Council's settled conviction that God will continue to supply the financial needs of the Mission as He has done in past years. A recent review concluded that, to allow the Mission to be managed efficiently and to provide a buffer for uninterrupted services to our mission partners, unrestricted funds not committed or invested in tangible fixed assets ("the free reserves") held by the charity should be approximately three months general fund expenditure, c£160,000. At the balance sheet date free reserves amounted to £299,620. Some of the excess reserves will be made available for additional planned expenditure in the coming year, including an office relocation project and the development of the work of the Mission.

Future developments

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

Responsibilities of the Council of Management

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

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

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

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

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REPORT OF THE COUNCIL OF MANAGEMENT

YEAR ENDED 31 MARCH 2019

Members of the Council of Management

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

Disclosure of information to auditor

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

Auditor

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

Small company provisions

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

By order of the council



M S Prest
Company Secretary

Date: 11.6.19

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REFERENCE & ADMINISTRATIVE INFORMATION

YEAR ENDED 31 MARCH 2019

Council of Management

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

Key Management Personnel

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

Director and Company Secretary

M Prest

Registered Company Number

265218

Registered Charity Number (England and Wales)

219946

Registered Charity Number (Scotland)

SC039343

Registered Office

145 Faringdon Road, Swindon, Wiltshire, SN1 5DL

Auditor

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

Bankers

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

Investment Advisors

Investec, 2 Gresham Street, London, EC2V 7QN

UFM WORLDWIDE

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF UFM WORLDWIDE

YEAR ENDED 31 MARCH 2019

Opinion

We have audited the financial statements of UFM Worldwide (the "Charity") for the year ended 31 March 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Charity's Trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and section 44(1)c of the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the Charity's Trustees those matters we are required to state in them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion, the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 March 2019 and of its income, expenditure and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulation 2006 (as amended).

Basis for opinion

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

Conclusions relating to going concern

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

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

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INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF UFM WORLDWIDE

YEAR ENDED 31 MARCH 2019

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

Responsibilities of trustees

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

In preparing the financial statements, the trustees are responsible for assessing the Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern

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INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF UFM WORLDWIDE

YEAR ENDED 31 MARCH 2019

basis of accounting unless the trustees either intend to liquidate the Charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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



Neil Kingston FCA (Senior Statutory Auditor)

For and on behalf of Burton Sweet Chartered Accountants and Statutory Auditor
The Clock Tower
5 Farleigh Court
Old Weston Road
Flax Bourton
Bristol BS48 1UR

Date: 11.4.19

UFM WORLDWIDE

STATEMENT OF FINANCIAL ACTIVITIES (Including Income and Expenditure Account)

YEAR ENDED 31 MARCH 2019

	Note	Total Funds 2019 £	Total Funds 2018 £
Income from:			
Donations and gifts	2	3,538,267	3,482,015
Legacies		84,842	62,756
Charitable activities	3	36,985	41,285
Investments	4	33,199	25,218
Total income		3,693,293	3,611,274
Expenditure on:			
Raising funds		91,716	99,635
Charitable activities		3,834,414	3,250,666
Total expenditure	5	3,926,130	3,350,301
Net gains/(losses) on investments	9	35,323	(4,751)
Net income/(expenditure) for the year and net movement in funds	6	(197,514)	256,222
Other recognised gains/(losses):			
Gains on revaluation of fixed assets	8	177,169	-
Net movement in funds		(20,345)	256,222
Reconciliation of funds:			
Total funds at 1 April 2018	13	2,346,371	2,090,149
Total funds at 31 March 2019	13	2,326,026	2,346,371

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

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

All movements are in unrestricted funds.

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

UFM WORLDWIDE
BALANCE SHEET
AS AT 31 MARCH 2019

Company Number: 265218

	Note	2019 £	2018 £ (restated)
Fixed assets			
Tangible assets	8	495,779	387,817
Investments	9	1,087,172	1,009,565
Current assets			
Debtors	10	71,859	117,165
Cash at bank and in hand		723,574	907,080
		<u>795,433</u>	<u>1,024,245</u>
Creditors : amounts falling due within one year	11	<u>(52,358)</u>	<u>(75,256)</u>
Net current assets		743,075	948,989
Net assets		<u>2,326,026</u>	<u>2,346,371</u>
FUNDS			
Unrestricted funds			
General funds	13	618,230	576,196
Designated funds	13	1,707,796	1,770,175
Total funds		<u>2,326,026</u>	<u>2,346,371</u>

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

These financial statements were approved by the Trustees on 11/6/19 and are signed on their behalf by:



G Powell
Treasurer

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

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CASH FLOW STATEMENT
YEAR ENDED 31 MARCH 2019

	Note	2019 £	2018 £
Net cash (outflow)/inflow from operating activities	A	(173,623)	225,492
Non-operational cash flows:			
Investing activities			
Payments for purchase of tangible fixed assets		(798)	(1,398)
Payments for purchase of investments		(229,008)	(386,750)
Proceeds from the sale of investments		179,657	127,722
Investment income		33,199	25,218
		<u>(16,950)</u>	<u>(235,208)</u>
Net cash inflow/(outflow) for the year	B	<u>(190,573)</u>	<u>(9,716)</u>

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

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NOTES TO THE CASH FLOW STATEMENT

YEAR ENDED 31 MARCH 2019

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

	2019 £	2018 £
Statement of Financial Activities: Net movement in funds	(20,345)	256,222
Investment income	(33,199)	(25,218)
Depreciation	70,005	5,707
Net (gain)/ loss on investments	(35,323)	4,751
Net (gain)/ loss on revaluation of fixed assets	(177,169)	-
Increase / (decrease) in creditors: current liabilities	(22,898)	16,013
(Increase) / decrease in debtors	45,306	(31,983)
Net cash inflow from operating activities	(173,623)	225,492

B Analysis of changes in cash during the year

	2019 £	2018 £	Change £
Cash & cash equivalents	729,084	919,657	(190,573)

	2018 £	2017 £	Change £
Cash & cash equivalents	919,657	929,373	(9,716)

C Reconciliation of cash at bank and in hand to the Balance Sheet

	2019 £	2018 £	2017 £
Cash at bank and in hand per Balance Sheet	723,574	907,080	901,624
Short-term deposits	5,510	12,577	27,749
Cash at bank and in hand per Cash Flow Statement	729,084	919,657	929,373

D Cashflow Restrictions

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

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NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2019

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the 'small companies' provisions of the Companies Act 2006 and in accordance with the Charities Act 2011, the Financial Reporting Standard 102 and the requirements of the Charities Statement of Recommended Practice (SORP FRS 102) based thereon.

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

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

Accounting estimates & assumptions

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

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

Company status

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

Fund Accounting

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

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

Income

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

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

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

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

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NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2019

1 Accounting policies (*continued*)

Expenditure

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

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

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

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

Employee benefits

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

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

Hire purchase and leasing commitments

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

Taxation

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

Tangible fixed assets & depreciation

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

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

The trustees have chosen to adopt a policy of revaluation of freehold land and buildings during the year. Gains and losses are recognised in the Statement of Financial Activities.

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NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2019

1 Accounting policies (continued)

Investments

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

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

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

Debtors

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

Cash at bank & in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Creditors

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

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any discounts due.

2 Donations and gifts

	Total Funds 2019 £	Total Funds 2018 £
Support - Field individual	2,447,166	2,326,730
Support - Home & team	52,400	56,128
Work projects receipts	497,307	521,404
Other UFM projects	97,360	172,818
Service charge	324,982	301,433
General fund	85,584	73,360
Others	33,468	30,142
	3,538,267	3,482,015

UFM WORLDWIDE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2019

3 Charitable Activities

	Total Funds 2019 £	Total Funds 2018 £
Sale of trading items	372	3,218
Conferences & house parties	36,613	38,067
	36,985	41,285

4 Investment Income

	Total Funds 2019 £	Total Funds 2018 £
Interest receivable	988	353
Investment dividends & interest	32,211	24,865
	33,199	25,218

5 Expenditure

	Basis of Allocation	Raising Voluntary Income £	Charitable Activity of Missionary Support £	Governance £	Total 2019 £	Total 2018 £
Costs directly allocated to activities						
Missionary support	Direct	-	3,342,820	-	3,342,820	2,808,024
Mission field grants	Direct	-	513	-	513	2,058
Deputation and field travel	Direct	13,204	23,566	-	36,770	33,109
UFM magazine and literature	Direct	13,784	-	-	13,784	17,262
Publicity and advertising	Direct	7,953	-	-	7,953	4,115
Conferences and house parties	Direct	45,688	-	-	45,688	50,026
Purchase of trading items	Direct	83	-	-	83	2,383
Audit fees	Direct	-	-	7,440	7,440	8,130
Support costs directly allocated to activities						
Staff costs	Usage	7,880	328,730	727	337,337	358,819
Office expenses	Usage	1,322	55,159	122	56,603	54,379
Investment management fees	Usage	167	6,952	15	7,134	6,289
Depreciation & loss on disposal	Usage	1,635	68,219	151	70,005	5,707
		91,716	3,825,959	8,455	3,926,130	3,350,301

UFM WORLDWIDE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2019

6 Net income/(expenditure) for the year

This is stated after charging:

	2019	2018
	£	£
Auditor's remuneration - for audit services	6,080	6,740
- for other services	1,360	1,360
Reimbursement of Council members' expenses	6,414	6,638
Depreciation	70,005	5,707
Operating lease payments	2,226	2,226

11 Trustees have been reimbursed for their out of pocket travel expenses (2018: 14). No Trustee received any remuneration during the current or prior year.

Aggregate donations from Trustees, key management personnel, and related parties were £54,568 (2018: £38,174).

7 Staff costs and numbers

The aggregate payroll costs were:

	2019	2018
	£	£
Headquarters' gross salaries	250,570	270,984
Social security costs	42,302	21,010
Staff Death in Service Cover	1,478	1,278
Consultancies	15,963	15,941
Termination costs	-	29,484
Staff Pension	26,163	19,495
Other staff costs	861	627
	337,337	358,819

The average headcount of employees during the year was:

	2019	2018
	£	£
Administration	15	13

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

The total employment benefits received by key management personnel were £212,294 (2018: £179,993).

UFM WORLDWIDE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2019

8 Tangible fixed assets

	Freehold property £	Freehold improvements £	Computer £	Audio Visual & Electrical Equipment £	Furniture, Fittings & Equipment £	Total £
Cost						
At 1 April 2018	302,831	65,476	24,017	7,880	7,741	407,945
Additions	-	-	798	-	-	798
Revaluation	177,169	-	-	-	-	177,169
At 31 March 2019	480,000	65,476	24,815	7,880	7,741	585,912
Depreciation						
At 1 April 2018	-	-	9,938	4,362	5,828	20,128
Charge for year	-	65,476	3,586	704	239	70,005
At 31 March 2019	-	65,476	13,524	5,066	6,067	90,133
Net book value						
At 31 March 2019	480,000	-	11,291	2,814	1,674	495,779
At 31 March 2018	302,831	65,476	14,079	3,518	1,913	387,817

Freehold property and improvements were revalued by the trustees as at 31 March 2019.

9 Fixed asset investments

	2019 £	2018 £
Market value at start of year	996,988	742,711
Additions at cost	229,008	386,750
Disposal proceeds	(179,657)	(127,722)
Realised gain/(loss) on investment	4,681	37,338
Unrealised gain/(loss) on investment	30,642	(42,089)
	1,081,662	996,988
Cash held in deposit	5,510	12,577
Market value at end of year	1,087,172	1,009,565
Historical cost at end of year	939,824	892,857
Investments comprise of:		
Fixed interest securities	213,608	157,837
Equity shares	703,395	610,964
Property & Infrastructure	75,000	97,295
Medium term deposits	95,169	143,469
	1,087,172	1,009,565
Held:		
Within the UK	805,767	777,999
Outside the UK	281,405	231,566

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NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2019

10 Debtors

	2019	2018
	£	£
Prepayments	5,953	4,130
Other debtors	65,906	113,035
	<u>71,859</u>	<u>117,165</u>

11 Creditors: amounts falling due within one year

	2019	2018
	£	£
Monies held in Trust	27,312	37,669
Social security and other taxes	6,362	5,155
Accruals	18,684	12,344
Other creditors	-	20,088
	<u>52,358</u>	<u>75,256</u>

12 Operating Leases

At 31 March 2019 the organisation had total commitments under non-cancellable operating leases as set out below:

	2019	2018
	£	£
Within one year	2,226	2,226
Between two to five years	2,226	4,452
	<u>4,452</u>	<u>6,678</u>

UFM WORLDWIDE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2019

13 Movement in funds

	At 01-Apr 2018 £	Income £	Expenditure £	Gains/ (Losses) £	Transfers £	At 31-Mar 2019 £
Unrestricted funds						
<i>Designated funds</i>						
Missionary Support	1,649,711	3,072,630	(3,342,820)	-	-	1,379,521
Passage Fund	3,756	-	-	-	-	3,756
Property Revaluation Fund	-	-	-	177,169	-	177,169
Revaluation Fund	116,708	-	-	30,642	-	147,350
<i>General funds</i>	576,196	620,663	(583,310)	4,681	-	618,230
	<u>2,346,371</u>	<u>3,693,293</u>	<u>(3,926,130)</u>	<u>212,492</u>	<u>-</u>	<u>2,326,026</u>
Total funds	<u>2,346,371</u>	<u>3,693,293</u>	<u>(3,926,130)</u>	<u>212,492</u>	<u>-</u>	<u>2,326,026</u>

Prior year comparatives

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

UFM WORLDWIDE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2019

13 Movement in funds (*continued*)

Description of funds

Unrestricted funds

General funds

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

Designated funds

Bethany Hall Trust

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

Revaluation Fund

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

Missionary Support

Missionary Support Funds comprise gifts and donations given with a non-binding wish for the support of missionary personnel in the carrying out of their work in the furtherance of the Mission's aims and objectives.

Passage fund

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

Property Revaluation Fund

The Property Revaluation Fund represents the gains and losses included in the Balance Sheet, in relation to the value of the properties held.

UFM WORLDWIDE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2019

14 Analysis of net assets between funds

	Tangible Fixed Assets £	Investments £	Net Current Assets £	Total £
General funds	318,610	-	299,620	618,230
Designated funds				
Revaluation Fund	-	147,350	-	147,350
Property Revaluation Fund	177,169	-	-	177,169
Missionary Support	-	936,066	443,455	1,379,521
Passage Fund	-	3,756	-	3,756
	<u>495,779</u>	<u>1,087,172</u>	<u>743,075</u>	<u>2,326,026</u>

Prior year comparatives

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

15 Restatement of funds

The prior year funds have been restated following a review by the trustees of the status of missionary support funds. As a result, the missionary support fund has been reclassified as unrestricted rather than restricted to reflect the underlying reality of the legal status of the funds. Gifts for missionary support are given without a binding instruction but with a non-binding preference and are therefore held in a designated fund.