



Arab World Ministries

Trustee Report and Annual Accounts 2020

REPORT OF THE DIRECTORS AND GENERAL INFORMATION

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Directors/Trustees

Mr M G Billage(resigned 31st January, 2020)
Dr S E Brown
Mr K Butler
Mr P Elam(appointed 7th March, 2020)
Rev Dr I D Farley
Mr M S Hyde
Miss E Maggs
Mr A Mateer
Ms D Petrie

Secretary and Registered Office

Mr A Harper
37, Market Square, Witney, Oxon OX28 6RE

Registration

Registered in England and Wales, no 3275009.
The company is limited by guarantee, and does not have a share capital.
Registered with the Charity Commission, no 1059106.

Bankers

HSBC UK Bank plc, 41 Market Place, Loughborough, Leics, LE11 3EJ

Principal Investment Managers

CCLA Investment Management Limited
CCLA Fund Managers Limited

Auditors

Just Audit & Assurance Ltd, being a firm in professional succession to ReesRussell LLP,
Chartered Accountants and Registered Auditors, has indicated their willingness to be appointed as
auditor.

Charitable Objectives and Status

The Company's principal activity continues to be the advancement of the Christian faith amongst Muslim peoples of the Arab world.

The Company has charitable status and is registered with the Charity Commission under registration number 1059106.

Public Benefit

The Directors have had regard to the Charity Commission's guidance, including that on "Charities Working Internationally", the general public benefit guidance "Charities and Public Benefit", and the supplementary guidance contained in "The Advancement of Religion for the Public Benefit". Other Charity Commission governance guidance is also regularly shared with the directors.

Governance, Structure, and Management

The Company's activities are regulated by the Memorandum and Articles of Association. The objects of the Company are:

1. to advance the Christian faith amongst Muslim peoples of the Arab world wherever they may be found, and to promote the same in the UK through encouraging prayer and financial support.
2. to relieve need, hardship, sickness or poverty amongst peoples of the Arab world.
3. to advance Christian education and training of people of the Arab world.

Directors & Charity Trustees

The directors listed on page 3 have served throughout the year, save where indicated. The directors of the Company are also the trustees for the charitable activities of Arab World Ministries. The UK National Director was Mark Billage, until his resignation on 31st January, 2020. He was succeeded on 7th March 2020 by Phil Elam.

Organisation and Structure

- Appointment and Training of Directors

The charitable company ensures that existing directors are kept informed of the activities and performance of the charity and are provided with regular management information. The directors continued to meet regularly during the year to review all aspects of the Charity, including the composition of the Board and will seek to appoint additional members with appropriate skills and expertise should the need arise. Interested parties are given details of the background of the charitable company in order to make them aware of the current activities.

- Organisational Structure

The day to day management of the charitable company is undertaken by the UK National Director and the departmental heads who meet regularly to ensure good communication and leadership.

Charitable Activities

The charitable Company has continued to pursue its main objectives as outlined above with a primary focus upon the advancement of the Christian faith amongst Muslim peoples of the Arab World. In overview, field-based Christians involved have been ministering by:

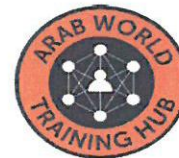
1. Raising awareness and understanding of the Christian faith among Muslim peoples of the Arab world;
2. Helping to support Christian churches in the Arab world.

Our engagement with enquirers avoids negative comments about other beliefs and includes:

- Making Christian teaching available in Arabic, French and Kabyle (languages of the Arab world) over the internet, in printed materials and through online or broadcasting media;
- Linking up isolated Christians with other like-minded people.
- Responding to enquiries about the Christian faith received in face to face meetings, in correspondence, and through online media. (Enquiries from all locations are welcomed, as many Arab world peoples are to be found in Europe, North America, and elsewhere. All such enquiries are answered free of charge).
- Taking special care to remove misunderstandings about the Christian faith which are commonly held by many from the Arab world.

Training Hub

During the year we continued our focus on our Training Hub. The Hub seeks to train and equip our workers prior to their overseas assignment and also provide specific training events useful to our members and the general UK Church. We continue to play our part in the international events run by the global network we are part of within Pioneers International although these were curtailed somewhat and moved online for the most part. Due to varying states of lockdown in the UK and wider region as a team we kept connected to our members through various online means and occasionally in person.



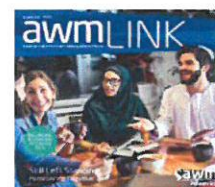
Communicating with Christian groups

Our representatives tour UK churches, conferences and student groups to inform and inspire Christian worship services about ministry in the Arab world. Despite the pandemic, we visited or held online zoom meetings with around 140 churches in 2020.



During 2020 we had contact with over 50 new people considering and exploring being involved in Christian Ministry through us. Due to the pandemic and the limited face to face contact possible, these contacts were primarily through our own communication methods including our social media and existing contacts. We aimed to provide specific mentoring, coaching and training to these individuals in order that they could share their faith in a sensitive and culturally appropriate way to people from a variety of ethnic and culturally different backgrounds.

We produce an in-house magazine publication and mail directly to 6,500 supporting churches and individuals in the UK every quarter to inform, encourage and challenge them as they read about how God is at work across the region. The contents include stories of faith and impact, guidance for the next generation of pioneers and focuses on projects in particular regions among Arab peoples. Many have appreciated the opportunity to make a difference by donating through our humanitarian appeals to meet social and spiritual needs across Syria and particularly Yemen.



Prayer

Our quarterly email is sent out for similar purposes to close to 600 email addresses. To facilitate prayer for the region we sent 1,400 copies of a quarterly prayer diary, and also a fortnightly prayer update for over 800 individuals or groups.

Collaboration

We have partnered where possible with charitable organisations with similar objectives to raise awareness, stimulate interest and encourage active involvement in ministry. During 2020 we continued to discuss with other like-minded agencies possible collaborations in mission training and recruitment in light of the Covid pandemic and a changing UK and global landscape.

Relieving need, hardship, sickness or poverty

The company has supported a number of Christians with medical qualifications who provide medical care among peoples of the Arab world, both in Africa and Asia. The medical care is provided on the basis of need. Payment for drugs or tests is requested if possible. No other charges are made.

The company has provided support to Arab world Christians who have been discriminated against on the basis of their faith. Generally this is achieved through Christians supported by the company helping to provide escape from danger, advice on educational opportunities, and spiritual encouragement. The presumption would be against providing money, so that the motives of Christians will not be called into question.

Advancing Christian education and training

The company has contributed towards the development of courses in a number of languages for those from the Arab world who seek to discover more about the Christian faith. It has also contributed towards the development of courses for Arab world Christians who are developing their understanding of Christian teaching, so that they can, in turn, teach others.

Help has also been given to the training of those who will then be more adequately equipped to develop Christian training materials suitable for use among peoples of the Arab world.

Financial Position

Ordinary gifts and donations to the general fund were 13 per cent higher than 2019, but legacies were very much lower in money value. The Trustees are grateful to all their donors for their generous support in a year of economic challenges nationally.

The directors are keeping the level of general fund income under review and are constantly pursuing new ways of raising support within the UK.

Gifts and donations received for restricted purposes rose by 9% and have been exclusively used for those purposes.

Fundraising

Fundraising continues to be reviewed against the Code of Fundraising Practice and in communication with the Fundraising Regulator. This information is updated to Trustees. We strive to respect and honour our supporters with our fundraising and are pleased to note our good fundraising practices.



We share our passion for the region and its people with charitable trusts as we communicate the strategic need to mobilise the next generation of pioneers into this work. This is another key source of funding where we look to build and sustain long-term partnership relationships with these key institutions. In 2020 there were 8 charitable trusts who supported the work through small and medium sized grants ranging from £100-£10,000. The total raised for 2020 through trust giving was £34,000.

We undertake direct mailing to our supporters and this is a key source for our donation income. This takes the form of a letter to approximately 1,500 supporters on a quarterly basis thanking them for their generosity, updating them on ministry with encouraging stories of how the work is progressing, and highlighting other areas of need across the region.

Data Protection and GDPR

We continue to comply with the Data Protection Act 2019 and General Data Protection Regulations with key appointed staff and trustee members to help monitor our ongoing responsibilities

Investments

During the year we continued to hold investments through CCLA and received a satisfactory amount of income. During the year the market valuation rose compared with the previous year end. We are keen these investments remain ethical.

Reserves

The majority of unrestricted funds is traceable to the sale of surplus buildings, and having completed the purchase of the new offices, the Trustees are now considering additional projects to be financed out of these reserves for 2021 onwards.

The Charity recognises that it has a moral responsibility to maintain the income of certain retired workers at an acceptable level, and this is funded out of general reserves.

Total funds held at the end of the year were £2,776,000.

Restricted funds were £834,000, and were raised for specific projects, workers or related expenses.

Designated funds were £119,000, and consist of amounts set aside from general funds for certain projects or workers, or for assisting overseas workers with medical expenses.

Other unrestricted funds amounted to £1,812,000, of which £511,000 was tied up in fixed assets at the balance sheet date, principally the freehold offices which the charity expects to occupy for the foreseeable future. The Board has estimated that an absolute minimum of £172,000 would be required to wind up the charity in an orderly way, if all income ceased, but aims to hold a larger amount to ensure that operations and long-term projects can continue in spite of fluctuations in income, and to allow expansion of activities as opportunities arise.

Related Party Transactions

During the year two directors – the outgoing and incoming National Directors - (2020 - one) were remunerated for their service as employees of the charitable company; details of this are shown in note 16 to the accounts. There is also an amount due to a company controlled by two of this company's directors, but which has been dormant for over 35 years.

Going Concern

The directors consider that the company is a going concern, and expect to be able to continue operations in a suitable way into the indefinite future.

The Covid-19 pandemic of 2020-21, and related travel and activity restrictions, continues to be inconvenient, but members are working in alternative ways, avoiding unnecessary danger and exploiting the new possibilities that have become available. Expenditure in 2020 fell well behind budget because of cancelled travel plans and increased use of video conferencing software, other savings, and the benefit of "furlough payments" under HM Government's Job Retention Scheme. Income is continuously monitored, and the directors are grateful to the many committed supporters whose support continues to cover the operating expenses.

Risk Management

The Charity manages the administrative and financial risks common to organisations of this size and complexity by using high quality IT systems and suitably qualified personnel, advisers and investment managers. Front-line charity workers are selected with great care, and the charity places considerable emphasis on their career-long support and training, so that they can make their best contribution to the charity's objectives, and to minimise the risk to them and to the reputation and effectiveness of the Charity.

Statement of Directors' Responsibilities

The directors, who are also the trustees of the charitable activities for the purposes of charity law, are responsible for preparing the directors' report and financial statements in accordance with generally applicable law and UK Accounting Standards (UKGAAP). Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the incoming resources and application of resources of the company for that period.

In preparing these statements, the directors are required to:

- Select suitable accounting policies and apply them consistently;
- Observe the method and principles of 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 company will continue in business.

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

In so far as the directors are aware:

- There is no relevant audit information of which the company's auditor is unaware; and
- The directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The directors are responsible for the maintenance and integrity of the corporate and financial information include on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

These accounts have been prepared in accordance with FRS102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (March 2018).

Signed on behalf of the Directors



Phil Elam

Date: 18.09.21

AUDITOR'S REPORT TO THE TRUSTEES OF
ARAB WORLD MINISTRIES

Independent Auditors' Report to the members of ARAB WORLD MINISTRIES

Opinion

We have audited the financial statements of ARAB WORLD MINISTRIES for the year ended 31 December 2020, which comprise the Statement of Financial Activities, Balance Sheet and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)).

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 and trustees 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, the Charitable Company's members as a body, and the Charitable Company'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 charitable company's affairs as at 31 December 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to public interest entities, 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

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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' 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 that fact.

We have nothing to report in this regard.

Opinion 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 prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report has 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 require us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.; or
- the charity has not kept sufficient accounting records; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement (set out on page 8), the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the 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 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 section 151 of the Charities Act 2011, and under the Companies Act 2006 and report in accordance with the Acts 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.

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

Our assessment focused on key laws and regulations the charitable company has to comply with and areas of the financial statements we assessed as being more susceptible to misstatement. These key laws and regulations included but were not limited to compliance with the Companies Act 2006, Charities Act 2011, United Kingdom Generally Accepted Accounting Practice and relevant tax legislation.

We are not responsible for preventing irregularities. Our approach to detect irregularities included, but was not limited to, the following:

- obtaining an understanding of the charitable company's policies and procedures and how the charitable company has complied with these, through discussions and sample testing of controls;
- obtaining an understanding of the legal and regulatory framework applicable to the charitable company and how the charitable company is complying with that framework;
- an understanding of the charitable company's risk assessment process, including the risk of fraud;
- designing our audit procedures to respond to our risk assessment; and
- performing audit work over the risk of management override of controls including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing estimates for bias.

Whilst considering how our audit work addressed the detection of irregularities, we also consider the likelihood of detection based on our approach. Irregularities arising from fraud are inherently more difficult to detect than those arising from error.

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

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members and trustees 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, the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Jonathan Russell (Senior Statutory Auditor)

For and on behalf of Just Audit & Assurance Ltd, Statutory Auditor

37 Market Square

Witney

Oxfordshire

OX28 6RE

Date:

22 September 21

STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating an income and expenditure account)
for the year ended - 31st December 2020

| Reference | Notes | 2020 | 2020 | 2020 | 2019 | 2019 | 2019 |
|-----------|---|----------------------------|--------------------------|------------------|----------------------------|--------------------------|------------------|
| | | Unrestricted Funds £ | Restricted Funds £ | Total £ | Unrestricted Funds £ | Restricted Funds £ | Total £ |
| | Income and endowments from: | | | | | | |
| 2 | Donations and legacies | 437,687 | 1,724,223 | 2,161,910 | 536,061 | 1,584,399 | 2,120,460 |
| 3 | Investments | 38,981 | 1,479 | 40,460 | 57,485 | 2,334 | 59,819 |
| 20 | Other | 20,334 | 18,942 | 39,276 | 0 | 0 | 0 |
| | Trading Activities | 4,339 | 0 | 4,339 | 5,104 | 0 | 5,104 |
| | Total | 501,341 | 1,744,644 | 2,245,985 | 598,650 | 1,586,733 | 2,185,383 |
| | Expenditure on: | | | | | | |
| 4 | Raising funds | 86,123 | 0 | 86,123 | 91,885 | 0 | 91,885 |
| 5 | Charitable activities | 670,092 | 1,457,303 | 2,127,395 | 707,122 | 1,343,472 | 2,050,594 |
| 6 | Governance costs | 7,988 | 0 | 7,988 | 8,987 | 0 | 8,987 |
| | Total | 764,203 | 1,457,303 | 2,221,506 | 807,994 | 1,343,472 | 2,151,466 |
| 7 | Net income/(expenditure) | (262,862) | 287,341 | 24,479 | (209,345) | 243,261 | 33,916 |
| | Transfers between funds | 198,552 | (198,552) | 0 | 158,086 | (158,086) | 0 |
| | Other recognised gains / (losses): | | | | | | |
| | Gain / (loss) on investment assets | 72,321 | 1,494 | 73,815 | 205,712 | 1,074 | 206,786 |
| | Net movement in funds | 8,011 | 90,283 | 98,294 | 154,453 | 86,249 | 240,702 |
| 19 | Exceptional costs | (72,984) | 0 | (72,984) | 0 | 0 | |
| | Net income/(expenditure) | (64,973) | 90,283 | 25,310 | 154,453 | 86,249 | 240,702 |
| | TOTAL FUNDS brought forward | 1,996,826 | 744,191 | 2,741,017 | 1,842,372 | 657,942 | 2,500,314 |
| | TOTAL FUNDS carried forward | 1,931,853 | 834,474 | 2,766,327 | 1,996,825 | 744,191 | 2,741,016 |

BALANCE SHEET

for the year ended - 31st December 2020

| | 2020 | 2020 | 2019 |
|--|------------------|------------------|------------------|
| | £ | £ | £ |
| 9 Fixed Assets | | 510,748 | 450,784 |
| 10 Investments | | 1,267,760 | 1,193,945 |
| | | 1,778,508 | 1,644,729 |
| Current assets | | | |
| Bank & Building Society balances | 1,017,905 | | 1,024,000 |
| Cash floats - Area representatives | 800 | | 800 |
| 11 Stock | 4,141 | | 4,961 |
| Other Debtors & Prepayments | 37,272 | | 144,200 |
| | 1,060,118 | | 1,173,961 |
| 12 Creditors: Amounts falling due within one year | (63,286) | | (65,531) |
| Net Current Assets | | 996,832 | 1,108,430 |
| Total Assets less Current Liabilities | | 2,775,340 | 2,753,159 |
| 13 Creditors: Amounts falling due after one year | | (9,013) | (12,142) |
| 14 Net Assets | | 2,766,327 | 2,741,017 |
| Unrestricted Funds | | | |
| Unrestricted Funds | | 1,812,403 | 1,863,739 |
| 15 Designated Funds | | 119,450 | 133,087 |
| | | 1,931,853 | 1,996,826 |
| 15 Restricted Funds | | 834,474 | 744,191 |
| | | 2,766,327 | 2,741,017 |

These accounts have been prepared in accordance with FRS 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (March 2018).

Rev Dr I D Farley

Date:

18th Sept 2021

Phil Elam

18.09.21

The notes on the following pages form part of these financial statements

STATEMENT OF CASHFLOWS
for the year ended - 31st December 2020

| | 2020 Unrestricted Funds £ | 2020 Restricted Funds £ | 2020 Total £ | 2019 Unrestricted Funds £ | 2019 Restricted Funds £ | 2019 Total £ |
|---|------------------------------------|----------------------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| Cash flows from operating activities | | | | | | |
| <i>Net cash provided by (used in) operating activities</i> | (49,969) | 81,786 | 31,817 | (161,793) | 86,282 | (75,511) |
| Cash flows from investing activities | | | | | | |
| Dividends and interest from investments | 38,981 | 1,479 | 40,460 | 57,485 | 2,334 | 59,819 |
| Proceeds from sale of property, less expenses | 0 | | 0 | 0 | | 0 |
| Purchase of equipment | (78,372) | 0 | (78,372) | (439,625) | 0 | (439,625) |
| Proceeds from sale of investments | 0 | 0 | 0 | 833,004 | 0 | 833,004 |
| Purchase of investments | 0 | | 0 | 0 | | 0 |
| <i>Net cash provided by (used in) operating activities</i> | (39,391) | 1,479 | (37,912) | 450,864 | 2,334 | 453,198 |
| Cash flows from financing activities | | | | | | |
| Repayments of borrowing | | | 0 | | | 0 |
| Cashflows from new borrowing | | | 0 | | | 0 |
| Receipt of endowment | | | 0 | | | 0 |
| <i>Net cash provided by (used in) financing activities</i> | 0 | 0 | 0 | 0 | 0 | 0 |
| <i>Change in cash and cash equivalents in the year</i> | (89,360) | 83,265 | (6,095) | 289,071 | 88,616 | 377,687 |
| <i>Cash and cash equivalents at the beginning of the year</i> | 297,848 | 726,952 | 1,024,800 | 8,777 | 638,336 | 647,113 |
| <i>Cash and cash equivalents at the end of the year</i> | 208,488 | 810,217 | 1,018,705 | 297,848 | 726,952 | 1,024,800 |

RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

| | | | | | | |
|--|----------|---------|----------|-----------|----------|-----------|
| Net income/(expenditure) for the year - normal | 8,011 | 90,283 | 98,294 | 154,454 | 86,249 | 240,703 |
| - Exceptional | (72,984) | | (72,984) | | | 0 |
| Adjustments for: | | | | | | |
| Depreciation charges | 18,408 | 0 | 18,408 | 4,633 | 0 | 4,633 |
| (Gains)/losses on investments | (72,321) | (1,494) | (73,815) | (205,712) | (1,074) | (206,786) |
| Dividends, interest and rents from investments | (38,981) | (1,479) | (40,460) | (57,485) | (2,334) | (59,819) |
| Loss/(profit) on the sale of fixed assets | 0 | 0 | 0 | 0 | | 0 |
| (Increase)/decrease in stocks | 820 | 0 | 820 | (2,395) | 0 | (2,395) |
| (Increase)/decrease in debtors | 110,906 | (3,978) | 106,928 | (48,747) | 29,219 | (19,528) |
| Increase/(decrease) in creditors | (3,828) | (1,546) | (5,374) | (6,541) | (25,778) | (32,319) |
| <i>Net cash provided by (used in) operating activities</i> | (49,969) | 81,786 | 31,817 | (161,793) | 86,282 | (75,511) |

ANALYSIS OF CASH AND CASH EQUIVALENTS

| | | | | | | |
|--|---------|---------|-----------|---------|---------|-----------|
| Bank balances | 207,688 | 810,217 | 1,017,905 | 297,048 | 726,952 | 1,024,000 |
| Cash floats | 800 | 0 | 800 | 800 | 0 | 800 |
| <i>Total cash and cash equivalents</i> | 208,488 | 810,217 | 1,018,705 | 297,848 | 726,952 | 1,024,800 |

NOTES TO THE ACCOUNTS
for the year ended - 31st December 2020

I Accounting Policies

i) Accounting Convention

The accounts of the company are prepared under the historical cost convention, except for the revaluation of investments and freehold property and in accordance with Statement of Recommended Practice on Accounting by Charities and FRS 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (March 2018), and incorporate the results of the principal activities which are described in the Directors' Report and which are continuing.

ii) Income

Donations are accounted for when received by the company. Other income is accounted for on an accruals basis so far as it is prudent to do so. Income includes income tax recoverable.

iii) Legacies

Legacies are accounted for on an accrual basis so far as it is prudent to do so.

iv) Expenditure

Expenditure is allocated to the relevant cost category in accordance with internal guidelines issued by the charity and is appropriate to the use derived from the resources.

v) Grants

Revenue grants are credited to the income and expenditure account as received, unless related to a specific period, when it is placed in a restricted fund until used.

vi) Taxation

The company has obtained charitable status and is generally exempt from income tax and capital gains tax, but not from VAT. Irrecoverable VAT is included in the cost of those items to which it relates.

vii) Investments

Investments are shown at market value and realised gains and losses are taken to the income and expenditure account. Investment income has been taken into account on the basis of the due date of payment.

viii) Depreciation

Depreciation of tangible assets is provided at the following annual rates in order to write off each asset over its estimated useful life:

| | | |
|----------------------------------|---|--|
| Freehold properties | - | 2% straight line |
| Major Computer equipment | - | 20 to 33.3% straight line |
| Fixtures, fittings and equipment | - | 10% & 20% straight line |
| Bicycle (on salary sacrifice) | - | At the same rate as the salary sacrifice |

ix) Stock

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

x) Hire purchase and leasing

Rentals applicable to operating leases where substantially all of the benefits and risk of ownership remains with the lessor are charged against net incoming resources on a straight line basis over the lease term.

xi) Pensions

The company operates a defined contribution pension scheme. The amount charged to the statement of financial activities in respect of pension costs and other post-retirement benefits is the amount payable in the year. Differences between contributions payable and contributions actually paid in the year are shown as either debtors or creditors in the balance sheet.

xii) Transfer between funds

"Transfer from restricted funds" relates to administration charges relating to the management of restricted incoming resources, adjusted for fund deficits between years.

xiii) Member assets

When Members purchase assets these are written off in year.

xiv) Ride to Work Scheme

Staff have the option to be part of a Ride to Work Scheme that is funded by salary sacrifice. Items are purchased as an asset and depreciated at the same rate as salary sacrifice deductions are made.

NOTES TO THE ACCOUNTS (continued)
for the year ended - 31st December 2020

| | Unrestricted Funds £ | Restricted Funds £ | Total £ | 2019 £ |
|---------------------------------|----------------------------|--------------------------|------------------|------------------|
| 2 Donations and Legacies | | | | |
| Gifts & Donations | 344,099 | 1,723,854 | 2,067,953 | 1,871,100 |
| Legacies | 93,588 | 369 | 93,957 | 249,360 |
| | 437,687 | 1,724,223 | 2,161,910 | 2,120,460 |

Legacies received after the balance sheet date in respect of estates already in administration are accrued in the balance sheet. In addition, there were other estates in the course of administration where the amount to be received is prudently estimated to be £5,499 (2019: £15,502.)

| | | | | |
|----------------------------|---------------|--------------|---------------|---------------|
| 3 Investment Income | | | | |
| Interest Received | 38,981 | 1,479 | 40,460 | 59,819 |
| | 38,981 | 1,479 | 40,460 | 59,819 |

| | | | | |
|--------------------------------|---------------|----------|---------------|---------------|
| 4 Cost of Raising Funds | | | | |
| Staff costs | 61,999 | 0 | 61,999 | 64,692 |
| Publicity & Promotion | 141 | 0 | 141 | 138 |
| Office Costs | 13,201 | 0 | 13,201 | 14,655 |
| Property Costs | 6,280 | 0 | 6,280 | 6,364 |
| Motor & Travel | 646 | 0 | 646 | 2,728 |
| Other Expenses | 1,021 | 0 | 1,021 | 2,594 |
| Depreciation | 2,835 | | 2,835 | 714 |
| | 86,123 | 0 | 86,123 | 91,885 |

| | | | | |
|---|----------------|------------------|------------------|------------------|
| 5 Charitable Activities | | | | |
| Ministry Costs | | | | |
| Support & Allowances | 213,887 | 1,237,775 | 1,451,662 | 1,376,434 |
| Project expenditure | 0 | 219,528 | 219,528 | 190,005 |
| Office costs | 2,997 | 0 | 2,997 | 3,149 |
| Property & accommodation costs | 875 | 0 | 875 | 973 |
| Publicity & Promotion | 21,875 | 0 | 21,875 | 6,114 |
| Motor & travel | 2,190 | 0 | 2,190 | 9,160 |
| Other expenses | 237 | 0 | 237 | 48 |
| Depreciation | 0 | 0 | 0 | 0 |
| Office & Administrative expenses | | | | |
| Staff costs | 274,555 | 0 | 274,555 | 305,111 |
| Office Costs | 92,887 | 0 | 92,887 | 83,836 |
| Property Costs | 32,958 | 0 | 32,958 | 30,865 |
| Publicity & Promotion | 3,827 | 0 | 3,827 | 3,667 |
| Motor & Travel | 2,257 | 0 | 2,257 | 13,219 |
| Other Expenses | 5,974 | 0 | 5,974 | 24,093 |
| Depreciation | 15,573 | 0 | 15,573 | 3,920 |
| | 670,092 | 1,457,303 | 2,127,395 | 2,050,594 |

NOTES TO THE ACCOUNTS (continued)
for the year ended - 31st December 2020

| | Unrestricted Funds £ | Restricted Funds £ | Total £ | 2019 £ |
|---------------------------|----------------------------|--------------------------|--------------|--------------|
| 6 Governance Costs | | | | |
| Audit | 7,560 | 0 | 7,560 | 6,882 |
| Trustees' expenses | 428 | 0 | 428 | 2,105 |
| | 7,988 | 0 | 7,988 | 8,987 |

Trustees' expenses relate to travel, office costs and publicity and were incurred on behalf of the whole board.

| | | |
|---|----------------|----------------|
| 7 Net Income Before Transfers | 2020 £ | 2019 £ |
| The net incoming resources before transfers are after charging: | | |
| Depreciation of tangible fixed assets | 17,243 | 4,633 |
| Auditors' remuneration | 7,560 | 6,882 |
| Directors' remuneration (including Employer's NI) (note 17) | 53,257 | 59,914 |
| Staff costs (note 8) | 402,358 | 412,551 |
| | | |
| 8 Staff Costs (including directors) | 2020 £ | 2019 £ |
| Salaries | 383,952 | 397,925 |
| Employers National Insurance | 33,268 | 34,754 |
| Pension Contributions | 38,395 | 39,785 |
| | 455,615 | 472,464 |

The average number of staff (including directors) employed by the charity during the year was as follows:

| | 2020 | 2019 |
|--------------------------------------|-----------|-----------|
| Mission & Support | 6 | 5 |
| Management & Administration | 4 | 4 |
| External Relationships & fundraising | 5 | 7 |
| | 15 | 16 |

No employee was paid in excess of £60,000

Staff pension contributions outstanding at the year end were £3,296 (2019: £3,178).

In addition to employees there were 9 members at the end of December whose pay is processed through the Charity's payroll but who are totally dependent on support they raise for their salaries. These costs are shown within the restricted allowances (note 5).

NOTES TO THE ACCOUNTS (continued)
for the year ended - 31st December 2020

9 Fixed Assets

| | Freehold Properties £ | Fixtures & Fittings £ | Computer Equipment £ | Total £ |
|---------------------------------|-----------------------------|-----------------------------|----------------------------|------------|
| Cost/Valuation | | | | |
| As at 1.1.20 | 438,300 | 19,675 | 45,916 | 503,891 |
| Additions | 44,083 | 4,563 | 29,726 | 78,372 |
| Disposals | 0 | (1,973) | (23,585) | (25,558) |
| As at 31.12.20 | 482,383 | 22,265 | 52,057 | 556,705 |
| Accumulated depreciation | | | | |
| As at 1.1.20 | 0 | 9,483 | 43,624 | 53,107 |
| Charge for the year | 9,647 | 2,185 | 5,411 | 17,243 |
| Depreciation on disposals | 0 | (808) | (23,585) | (24,393) |
| As at 31.12.20 | 9,647 | 10,860 | 25,450 | 45,957 |
| Net book value | | | | |
| As at 1.1.20 | 438,300 | 10,192 | 2,292 | 450,784 |
| As at 31.12.20 | 472,736 | 11,405 | 26,607 | 510,748 |

All of the above assets are used to further the Charity's objects.

Capital commitments at the end of the year were £nil (2019: nil).

In 2019 the company purchased a freehold office building for its own use, at a cost of £432,780, and incurred further costs in 2020 before occupying it as its new headquarters.

Parts of those costs were not of a capital nature and are shown as an exceptional expense in the SoFA.

10 Investments

Investments are held primarily to provide an investment return for the charity.

The market value of the portfolio is determined by reference to investment managers' reports.

| I Portfolio Summary | Unrestricted Funds £ | Restricted Funds £ | 2020 £ | 2019 £ |
|------------------------------|----------------------------|--------------------------|-----------|-----------|
| Market Value at 1.1.2020 | 1,149,449 | 44,496 | 1,193,945 | 1,820,163 |
| Purchases and Sales | | | 0 | (833,004) |
| Gain / (Loss) on revaluation | 72,321 | 1,494 | 73,815 | 206,786 |
| Market value at 31.12.2020 | 1,221,770 | 45,990 | 1,267,760 | 1,193,945 |

The majority of investments consist of diverse portfolios of investment funds managed by CCLA Investment Management Ltd and (until April, 2019) St James's Place Unit Trust Group Ltd.

The Restricted Fund investments arise from a legacy in which a member has a long term interest in the income.

2 Investment Policy

The company's investment policy aims to produce long term capital growth together with a reasonable income.

NOTES TO THE ACCOUNTS (continued)
for the year ended - 31st December 2020

| | | | | | |
|----|---|----------------------------|--------------------------|------------|--------------------|
| 11 | Stock | 2020 | 2019 | | |
| | | £ | £ | | |
| | Literature stock for resale | 4,141 | 4,961 | | |
| 12 | Creditors: Amounts falling due within one year | | | | |
| | Transmissions | 12,454 | 12,073 | | |
| | Salaries & Wages Creditors | 27,496 | 23,830 | | |
| | Accruals | 8,975 | 25,015 | | |
| | Creditors | 12,061 | 4,613 | | |
| | Workers' Pension Funds | 2,300 | 0 | | |
| | | 63,286 | 65,531 | | |
| 13 | Creditors: Amounts falling due after one year | | | | |
| | Others | 9,013 | 12,142 | | |
| | | 9,013 | 12,142 | | |
| 14 | Analysis of Net Assets Between Funds | Unrestricted Funds £ | Restricted Funds £ | Total £ | Total 2019 £ |
| | Fixed Assets | 510,748 | 0 | 510,748 | 450,784 |
| | Investments | 1,221,770 | 45,990 | 1,267,760 | 1,193,945 |
| | Current Assets | 236,321 | 823,797 | 1,060,118 | 1,173,961 |
| | Current Liabilities | (36,986) | (26,300) | (63,286) | (65,531) |
| | Long Term Liabilities | 0 | (9,013) | (9,013) | (12,142) |
| | Net Assets | 1,931,853 | 834,474 | 2,766,327 | 2,741,017 |

NOTES TO THE ACCOUNTS (continued)
for the year ended - 31st December 2020

| 15 | Analysis of Funds | Balance 1.1.2020 £ | Income £ | Expenditure £ | Transfers / Adjustment £ | Balance 31.12.2020 £ |
|----|-------------------------------|--------------------------|-------------|------------------|--------------------------------|----------------------------|
| | Restricted Funds | | | | | |
| | <u>Projects</u> | | | | | |
| | Education / Humanitarian | 25,827 | 148,478 | (81,350) | (4,070) | 88,885 |
| | Media | 1,621 | 39,623 | (35,906) | (3,544) | 1,794 |
| | National Workers | 32,103 | 111,954 | (91,135) | (4,934) | 47,988 |
| | Other / Relief | 10,945 | 5,958 | (6,289) | 1,149 | 11,763 |
| | UK Projects | 7,891 | 5,391 | (4,848) | (490) | 7,944 |
| | | 78,387 | 311,404 | (219,528) | (11,889) | 158,374 |
| | <u>Support</u> | | | | | |
| | Non UK | 49,013 | 70,418 | (56,216) | (3,710) | 59,505 |
| | UK | 616,791 | 1,364,316 | (1,181,559) | (182,953) | 616,595 |
| | | 665,804 | 1,434,734 | (1,237,775) | (186,663) | 676,100 |
| | Total Restricted Funds | 744,191 | 1,746,138 | (1,457,303) | (198,552) | 834,474 |
| | Designated Funds | | | | | |
| | Medical Fund | 34,775 | 720 | (52,310) | 37,035 | 20,220 |
| | UK Ministries | 6,697 | 1,149 | (144) | (87) | 7,615 |
| | UK House of Refuge | 19,652 | | | | 19,652 |
| | ODFC Donation Fund | 38,125 | | 0 | | 38,125 |
| | Arab Workers | 33,838 | | | 0 | 33,838 |
| | Total Designated Funds | 133,087 | 1,869 | (52,454) | 36,948 | 119,450 |
| | General funds | | | | | |
| | General Fund | 1,863,739 | 571,793 | (784,733) | 161,604 | 1,812,403 |
| | Total General Funds | 1,863,739 | 571,793 | (784,733) | 161,604 | 1,812,403 |
| | Overall Total Funds | 2,741,017 | 2,319,800 | (2,294,490) | 0 | 2,766,327 |
| | Prior Year | | | | | |
| | | Balance 1.1.2019 £ | Income £ | Expenditure £ | Transfers £ | Balance 31.12.2019 £ |
| | Total Restricted Funds | 657,942 | 1,587,807 | (1,343,472) | (158,086) | 744,191 |
| | Total Designated Funds | 112,816 | 2,329 | (73,825) | 91,767 | 133,087 |
| | Total General Funds | 1,729,556 | 802,033 | (734,169) | 66,319 | 1,863,739 |
| | Overall Total Funds | 2,500,314 | 2,392,169 | (2,151,466) | 0 | 2,741,017 |

Restricted Funds

The charity maintains a number of restricted funds which are all income funds and are classified as follows:

i) **Projects**

These are charitable activities of the mission over and above the responsibilities of individual workers. Donations are received for these purposes and held in these funds. Most of the funds (including all the larger funds) are paid out in full each month to the managers of those funds and accounted for elsewhere.

NOTES TO THE ACCOUNTS (continued)
for the year ended - 31st December 2020



ii) **Support**

These funds are used for the accommodation and general living expenses of workers both in the UK and abroad. Included within these funds are amounts to enable the workers to establish themselves in their place of ministry and to cover the costs of performing their ministry.

Designated Funds

The Designated funds are amounts set aside from general funds to support specific UK ministry projects, and to fund medical expenses overseas.

16 **Transactions with Trustees**

During the year the charity paid the following amounts of remuneration to trustees and directors of the company. Such remuneration is permitted under the Memorandum and Articles of Association which allows for not more than one third of the trustees to be remunerated. The salary and pension contributions were paid by virtue of their duties as employees (at different periods) of the charitable company and not in respect of their duties as trustees. Expenses incurred on behalf of the Board of Trustees are disclosed in note 6. There were no other transactions with the trustees which require separate disclosure within the financial statements.

| | | 2020 £ | 2019 £ |
|---------------------------------------|----------------------|-----------|-----------|
| Mr.M Billage (to 31st January 2020) | Salary, inc Emp NI | 5,464 | 54,952 |
| | Pension Contribution | 509 | 4,962 |
| Mr P Elam (from 7th March, 2020) | Salary, inc Emp NI | 43,374 | 0 |
| | Pension Contribution | 3,910 | 0 |
| Total | | 53,257 | 59,914 |

17 **Commitments**

During 2020, the Charity paid £1777 under operating leases of equipment.

As at 31 December 2020, the Charity was committed to future non-cancellable operating leases payments as follows:

| | £ |
|-------------------------|--------------|
| Payable within 1 year | 1,717 |
| Payable in 2 to 5 years | 3,359 |
| Payable later | 420 |
| | <u>5,496</u> |

18 **Control**

Control of the charity is vested in the board of Directors.

19 **Exceptional Item**

The charity moved to a new freehold headquarters office during the year, and the cost of renovations has been treated as an exceptional expense in the Statement of Financial Activities.

20 **Other Income**

Other income consists of cash received from HM Government's Job Retention Scheme, reimbursing the cost of continuing to pay employees who were prevented from working by the Covid-19 pandemic. The benefit has been allocated to the same fund from which each employee was paid.