



Arab World Ministries

Trustee Report and Annual Accounts 2021

REPORT OF THE DIRECTORS AND GENERAL INFORMATION

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Directors/Trustees

Mr P Elam
Dr S E Brown.....(Resigned 27th November 2021)
Mr K Butler
Rev Dr I D Farley
Mr M S Hyde
Miss E Maggs
Mr A Mateer
Ms D Petrie
Mr J Sedrak.....(Appointed 18th September, 2021)
Mrs H Tiptaft(Appointed 27th November, 2021)

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 Director throughout 2021 was 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:

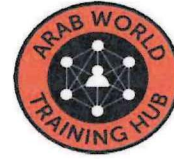
1. Raising awareness and understanding of the Christian faith among Muslim peoples of the Arab world;
2. Helping to support Christian churches in the Arab world.

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 and volunteers prior to their overseas assignments. We also provide specific training events useful to our members and the general UK Church. We have maintained connection to our members and volunteers through various online means and increasingly once again in person.



Communicating with Christian groups

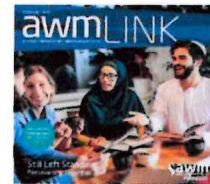
Our representatives tour UK churches, conferences and student groups to inform and inspire Christian worship services about ministry in the Arab world. Despite the pandemic, we visited or held online zoom meetings with around 50 churches in 2021. We also maintained a monthly zoom prayer evening attended by 35-50 screens (probably 50-70 people each month).

Prayer and publications



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.



Our bi-monthly email is sent out for similar purposes to close to 750 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. Our fortnightly prayer update is sent to nearly 900 people or groups. We update nearly 350 churches each quarter. We now also have an online magazine which is emailed to over 60 people per quarter.

Collaboration

We have partnered where possible with charitable organisations with similar objectives to raise awareness, stimulate interest and encourage active involvement in ministry.

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 4.5 per cent lower than 2020, but legacies were 54 per cent higher 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 6.1% 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. The total raised for 2021 through trust giving was £41,000.

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 £2,979,000.

Restricted funds were £1,135,000, and were raised for specific projects, workers or related expenses.

Designated funds were £248,000, 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 £1,596,000, of which £493,000 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 £186,000 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 possible investment revaluations, and to allow expansion of activities as opportunities arise.

Related Party Transactions

During the year one director was remunerated for their service as an employee 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 2020-22, 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 2021 fell well behind budget because of cancelled travel plans and increased use of video conferencing software, other savings, and the benefit of "furlough payments" until September 2021 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: 11/6/22

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 2021, which comprise the Statement of Financial Activities, Balance Sheet, Cash Flow Statement and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

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 2021 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.

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, and the provisions available for small 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 other information comprises the information included in the trustees' report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information.

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

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

We have nothing to report in this regard.

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

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

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

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/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

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. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, and the Charities Act together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for fraud. The laws and regulations we considered in this context were the General Data Protection Regulation (GDPR), Anti-fraud, bribery and corruption legislation, Taxation legislation and Employment legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

Our audit procedures to respond to risks included enquiries of management, including senior management, sample testing on the posting of entries, including journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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 6BE

Date: 

STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating an income and expenditure account)
for the year ended - 31st December 2021

Reference	Notes	2021 Unrestricted Funds £	2021 Restricted Funds £	2021 Total £	2020 Unrestricted Funds £	2020 Restricted Funds £	2020 Total £
	Income and endowments from:						
2	Donations and legacies	463,262	1,828,964	2,292,226	437,687	1,724,223	2,161,910
3	Investments	37,116	1,401	38,517	38,981	1,479	40,460
20	Other	0	18,420	18,420	20,334	18,942	39,276
	Trading Activities	2,827	0	2,827	4,339	0	4,339
	Total	503,205	1,848,785	2,351,990	501,341	1,744,644	2,245,985
	Expenditure on:						
4	Raising funds	92,953	0	92,953	86,123	0	86,123
5	Charitable activities	712,176	1,377,759	2,089,935	670,092	1,457,303	2,127,395
6	Governance costs	7,949	0	7,949	7,988	0	7,988
	Total	813,078	1,377,759	2,190,837	764,203	1,457,303	2,221,506
7	Net income/(expenditure)	(309,873)	471,026	161,153	(262,862)	287,341	24,479
	Transfers between funds	167,683	(167,683)	0	198,552	(198,552)	0
	Other recognised gains / (losses):						
	Gain / (loss) on investment assets	165,071	(3,105)	161,966	72,321	1,494	73,815
	Net movement in funds	22,881	300,238	323,119	8,011	90,283	98,294
19	Exceptional costs	(110,537)	0	(110,537)	(72,984)	0	(72,984)
	Net income/(expenditure)	(87,656)	300,238	212,582	(64,973)	90,283	25,310
	TOTAL FUNDS brought forward	1,931,853	834,474	2,766,327	1,996,826	744,191	2,741,017
	TOTAL FUNDS carried forward	1,844,197	1,134,712	2,978,909	1,931,853	834,474	2,766,327

BALANCE SHEET

for the year ended - 31st December 2021

	2021	2021	2020
	£	£	£
9 Fixed Assets		493,354	510,748
10 Investments		1,429,726	1,267,760
		<u>1,923,080</u>	<u>1,778,508</u>
Current assets			
Bank & Building Society balances	1,321,162		1,017,905
Cash floats - Area representatives	550		800
11 Stock	5,865		4,141
Other Debtors & Prepayments	84,419		37,272
	<u>1,411,996</u>		<u>1,060,118</u>
12 Creditors: Amounts falling due within one year	<u>(356,167)</u>		<u>(63,286)</u>
Net Current Assets		<u>1,055,829</u>	<u>996,832</u>
Total Assets less Current Liabilities		<u>2,978,909</u>	<u>2,775,340</u>
13 Creditors: Amounts falling due after one year		0	(9,013)
14 Net Assets		<u>2,978,909</u>	<u>2,766,327</u>
Unrestricted Funds			
Unrestricted Funds		1,596,550	1,812,403
15 Designated Funds		247,647	119,450
		<u>1,844,197</u>	<u>1,931,853</u>
15 Restricted Funds		<u>1,134,712</u>	<u>834,474</u>
		<u>2,978,909</u>	<u>2,766,327</u>

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

Phil Elam

Date: 11/6/22

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

STATEMENT OF CASHFLOWS

for the year ended - 31st December 2021

	2021 Unrestricted Funds £	2021 Restricted Funds £	2021 Total £	2020 Unrestricted Funds £	2020 Restricted Funds £	2020 Total £
Cash flows from operating activities						
<i>Net cash provided by (used in) operating activities</i>	(62,902)	332,814	269,912	(49,969)	81,786	31,817
Cash flows from investing activities						
Dividends and interest from investments	37,116	1,401	38,517	38,981	1,479	40,460
Proceeds from sale of property, less expenses	0		0	0		0
Purchase of equipment	(5,423)	0	(5,423)	(78,372)	0	(78,372)
Proceeds from sale of investments	400,000		400,000	0	0	0
Purchase of investments	0	(400,000)	(400,000)	0		0
<i>Net cash provided by (used in) operating activities</i>	431,693	(398,599)	33,094	(39,391)	1,479	(37,912)
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>	368,791	(65,785)	303,006	(89,360)	83,265	(6,095)
Cash and cash equivalents at the beginning of the year	208,488	810,217	1,018,705	297,848	726,952	1,024,800
<i>Cash and cash equivalents at the end of the year</i>	577,279	744,432	1,321,711	208,488	810,217	1,018,705

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

Net income/(expenditure) for the year - normal	22,881	300,238	323,119	8,011	90,283	98,294
- Exceptional	(110,537)		(110,537)	(72,984)		(72,984)
Adjustments for:						
Depreciation charges	22,817	0	22,817	18,408	0	18,408
(Gains)/losses on investments	(165,071)	3,105	(161,966)	(72,321)	(1,494)	(73,815)
Dividends, interest and rents from investments	(37,116)	(1,401)	(38,517)	(38,981)	(1,479)	(40,460)
Loss/(profit) on the sale of fixed assets	0	0	0	0		0
(Increase)/decrease in stocks	(1,724)	0	(1,724)	820		820
(Increase)/decrease in debtors	(53,397)	6,250	(47,147)	110,906	(3,978)	106,928
Increase/(decrease) in creditors	259,245	24,622	283,867	(3,828)	(1,546)	(5,374)
<i>Net cash provided by (used in) operating activities</i>	(62,902)	332,814	269,912	(49,969)	81,786	31,817

ANALYSIS OF CASH AND CASH EQUIVALENTS

Bank balances	576,729	744,432	1,321,161	207,688	810,217	1,017,905
Cash floats	550	0	550	800	0	800
<i>Total cash and cash equivalents</i>	577,279	744,432	1,321,711	208,488	810,217	1,018,705

NOTES TO THE ACCOUNTS
for the year ended - 31st December 2021

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, including legacy income, is accounted for on an accruals basis so far as it is prudent and practical 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 2021

	Unrestricted Funds £	Restricted Funds £	Total £	2020 £
2 Donations and Legacies				
Gifts & Donations	328,760	1,828,964	2,157,724	2,067,953
Legacies	134,502	0	134,502	93,957
	463,262	1,828,964	2,292,226	2,161,910

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 £64,232 (2020: £5,499.)

3 Investment Income				
Interest Received	37,116	1,401	38,517	40,460
	37,116	1,401	38,517	40,460

4 Cost of Raising Funds				
Staff costs	73,520	0	73,520	61,999
Publicity & Promotion	100	0	100	141
Office Costs	11,716	0	11,716	13,201
Property Costs	2,399	0	2,399	6,280
Motor & Travel	713	0	713	646
Other Expenses	991	0	991	1,021
Depreciation	3,514		3,514	2,835
	92,953	0	92,953	86,123

5 Charitable Activities				
Ministry Costs				
Support & Allowances	291,957	1,161,306	1,453,263	1,451,662
Project expenditure	0	216,453	216,453	219,528
Office costs	2,882	0	2,882	2,997
Property & accommodation costs	547	0	547	875
Publicity & Promotion	17,978	0	17,978	21,875
Motor & travel	3,179	0	3,179	2,190
Other expenses	1,111	0	1,111	237
Depreciation	0	0	0	0
Office & Administrative expenses				
Staff costs	265,190	0	265,190	274,555
Office Costs	85,733	0	85,733	92,887
Property Costs	13,526	0	13,526	32,958
Publicity & Promotion	2,726	0	2,726	3,827
Motor & Travel	2,368	0	2,368	2,257
Other Expenses	5,676	0	5,676	5,974
Depreciation	19,303	0	19,303	15,573
	712,176	1,377,759	2,089,935	2,127,395

NOTES TO THE ACCOUNTS (continued)
for the year ended - 31st December 2021

	Unrestricted Funds £	Restricted Funds £	Total £	2020 £
6 Governance Costs				
Audit	7,482	0	7,482	7,560
Trustees' expenses	467	0	467	428
	<u>7,949</u>	<u>0</u>	<u>7,949</u>	<u>7,988</u>

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

7 Net Income Before Transfers	2021 £	2020 £
The net incoming resources before transfers are after charging:		
Depreciation of tangible fixed assets	22,817	17,243
Auditors' remuneration	7,482	7,560
Directors' remuneration (including Employer's NI) (note 16)	57,483	53,257
Staff costs (note 8)	413,648	402,358

8 Staff Costs (including directors)	2021 £	2020 £
Salaries	396,325	383,952
Employers National Insurance	34,704	33,268
Pension Contributions	40,102	38,395
	<u>471,131</u>	<u>455,615</u>

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

	2021	2020
Mission & Support	6	6
Management & Administration	4	4
External Relationships & fundraising	6	5
	<u>16</u>	<u>15</u>

No employee was paid in excess of £60,000

Staff pension contributions outstanding at the year end were £3,604 (2020: £3,296).

In addition to employees there were 12 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 2021

9 Fixed Assets

	Freehold Properties £	Fixtures & Fittings £	Computer Equipment £	Total £
Cost/Valuation				
As at 1.1.21	482,383	22,265	52,057	556,705
Additions		265	5,158	5,423
Disposals	0			0
As at 31.12.21	482,383	22,530	57,215	562,128
Accumulated depreciation				
As at 1.1.21	9,647	10,860	25,450	45,957
Charge for the year	9,649	2,109	11,059	22,817
Depreciation on disposals	0			0
As at 31.12.21	19,296	12,969	36,509	68,774
Net book value				
As at 1.1.21	472,736	11,405	26,607	510,748
As at 31.12.21	463,087	9,561	20,706	493,354

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

Capital commitments at the end of the year were £nil (2020: 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 £	2021 £	2020 £
Market Value at 1.1.21	1,221,770	45,990	1,267,760	1,193,945
Purchases and Sales	(400,000)	400,000	0	0
Gain / (Loss) on revaluation	165,071	(3,105)	161,966	73,815
Market value at 31.12.21	986,841	442,885	1,429,726	1,267,760

The majority of investments consist of diverse portfolios of investment funds managed by CCLA Investment Management Ltd.

The Restricted Fund investments partly 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 2021

11	Stock		
		2021 £	2020 £
	Literature stock for resale	5,865	4,141
12	Creditors: Amounts falling due within one year		
	Transmissions	11,867	12,454
	Salaries & Wages Creditors	16,260	27,496
	Accruals	8,209	8,975
	Creditors	305,131	12,061
	Workers' Pension Funds	14,700	2,300
		356,167	63,286
13	Creditors: Amounts falling due after one year		
		0	9,013
	Others	0	9,013
14	Analysis of Net Assets Between Funds		
		Unrestricted Funds £	Restricted Funds £
		Total £	Total 2020 £
	Fixed Assets	493,354	0
	Investments	986,841	442,885
	Current Assets	660,233	751,762
	Current Liabilities	(296,231)	(59,935)
	Long Term Liabilities	0	0
	Net Assets	1,844,197	1,134,712
		2,978,909	2,766,327

NOTES TO THE ACCOUNTS (continued)
for the year ended - 31st December 2021

15 **Analysis of Funds**

	Balance 1.1.2021 £	Income £	Expenditure £	Transfers / Adjustment £	Balance 31.12.2021 £
Restricted Funds					
Projects					
Education / Humanitarian	88,885	148,863	(41,937)	708	196,519
Media	1,794	40,988	(36,931)	(3,996)	1,855
National Workers	47,988	129,055	(120,047)	(5,439)	51,557
Other / Relief	11,763	39,717	(14,022)	(1,606)	35,852
UK Projects	7,944	4,148	(3,516)	(468)	8,108
	158,374	362,771	(216,453)	(10,801)	293,891
Support					
Non UK	59,505	48,658	(46,920)	(1,666)	59,577
UK	616,595	1,434,251	(1,114,386)	(155,216)	781,244
	676,100	1,482,909	(1,161,306)	(156,882)	840,821
Total Restricted Funds	834,474	1,845,680	(1,377,759)	(167,683)	1,134,712
Designated Funds					
Medical Fund	20,220	600	(39,576)	39,360	20,604
UK Ministries	7,615	1,038	0	(49)	8,604
UK House of Refuge	19,652			(19,652)	0
ODFC Donation Fund	38,125		0	(18,125)	20,000
Arab Workers	33,838			50,000	83,838
Regional Expansion Funds	0	601	(76,000)	190,000	114,601
Total Designated Funds	119,450	2,239	(115,576)	241,534	247,647
General funds					
General Fund	1,812,403	666,037	(808,039)	(73,851)	1,596,550
Total General Funds	1,812,403	666,037	(808,039)	(73,851)	1,596,550
Overall Total Funds	2,766,327	2,513,956	(2,301,374)	0	2,978,909
Prior Year					
	Balance 1.1.2020 £	Income £	Expenditure £	Transfers £	Balance 31.12.2020 £
Total Restricted Funds	744,191	1,746,138	(1,457,303)	(198,552)	834,474
Total Designated Funds	133,087	1,869	(52,454)	36,948	119,450
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

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 2021



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. In 2021 the Trustees designated sums from reserves to the Regional Development Funds to assist with the recruitment and training of workers in or for the Arab world.

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.

		2021 £	2020 £
Mr.M Billage (to 31st January 2020)	Salary, inc Emp NI		5,464
	Pension Contribution		509
Mr P Elam (from 7th March, 2020)	Salary, inc Emp NI	51,528	43,374
	Pension Contribution	5,955	3,910
Total		57,483	53,257

17 **Commitments**

During 2021, the Charity paid £1777 under operating leases of equipment.

As at 31 December 2021, the Charity was committed to future non-cancellable operating leases payments as follows:

	£
Payable within 1 year	6,679
Payable in 2 to 5 years	12,796
Payable later	1,297
	<u>20,772</u>

18 **Control**

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

19 **Exceptional Item**

The Trustees made a capital grant of USD 150,000 towards the establishment of a mobilisation office in North Africa. As with other Pioneers national offices this is a legally distinct charity established in the country where it is based, but will be doing similar work towards the objectives of this charity.

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.