

OM INTERNATIONAL

Annual Report and Financial Statements

For the year ended 31 December 2021

Company Number 05649412

Charity Number 1112655



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REPORT OF THE BOARD OF DIRECTORS

The Board of Directors present their annual report and audited financial statements for the year to 31 December 2021.

REFERENCE AND MANAGEMENT INFORMATION

Company name: OM International

Company Registration number: 05649412

Charity Registration number: 1112655

Registered Office Unit B, Clifford Court
Cooper Way
Parkhouse
Carlisle
CA3 0JG

BOARD OF DIRECTORS

Julyan LIDSTONE
Wei Leong GOH
Chuan Seng (Albert) TEH
AGC (Bert) VAN DE HAAR
Grant PORTER
Jon SEELEY
Kelvin SAMWATA
Paul HYNAM (Chairman)
Shura FACANHA
Mary LEDERLEITNER
Zenaida MARAMARA
Holly STEWARD
Calisto ODEDE
Andrea VOGT
Lawrence TONG (resigned 24 February 2021)

COMPANY SECRETARY

Julyan LIDSTONE

AUDITORS

Mazars LLP, 1 St Peter's Square, Manchester, M2 3DE

SOLICITORS

Stone King LLP, 13 Queen Square, Bath BA1 2HJ

BANKERS

National Westminster Bank PLC, 17 Church Street, Oswestry, Shropshire, SY11 2SX

WORKING NAME

International Coordinating Team (ICT)

KEY MANAGEMENT PERSONNEL

International Director
Associate International Director for Global Services
Associate International Director for Resourcing
Associate International Director for Resourcing (Interim)
Associate International Director for Organisational Development
Team Leader
Chief Financial Officer
IT Director

Lawrence Tong
Gian Walser
Andrew Scott (until 30 September)
Wim Goudzwaard (from 1 October)
Katherine Porter
Leon Hedding
Kevin Borlase
Holger Rabbach

REPORT OF THE BOARD OF DIRECTORS

STRUCTURE GOVERNANCE AND MANAGEMENT

OM International is governed by the terms of its constitution and the Memorandum and Articles of Association. The company is limited by guarantee and was incorporated on 8 December 2005. It is registered as a company in England and Wales, Company Registration Number: 05649412 and with the Charity Commission for England and Wales, Charity Registration Number: 1112655. Members of the Board of Directors are the trustees for charitable purposes.

Organisation

The Board of Directors is responsible for ultimate strategic decisions, having regard to International Policy under the JMA (see below) and advice from senior management. As charity trustees, the directors receive no remuneration for their services.

The members of the Board (as set out on page 3) have held office during the year to the date of this report, unless otherwise stated. The Board currently meets at least four times per year. Following the resignation of one director in February 2021 the Board currently consists of 14 directors. As well as their responsibilities in relation to this company they also assume a role for OM-Worldwide, providing oversight, support and accountability to OM's International Director, Mr Lawrence Tong. They do not assume legal responsibility or governance of other OM entities, which remains with the boards, or current leadership, of those entities.

The directors delegate the day to day management of the charity to the International Director (Mr Lawrence Tong) and members of the key management personnel as detailed on page 3.

The International Director (ID) oversees the execution of the company's strategic plans, and directs management to develop specific goals in pursuit of these strategic objectives. The Board will review progress quarterly with reports from the ID and his senior management team as to the current health of the organisation, ongoing initiatives and how they are contributing to achieving agreed goals and objectives.

Related Organisations

This company shares the core values of an international partnership now operating in 118 countries worldwide known as "Operation Mobilisation". The company is a signatory to a "Joint Ministries Agreement" (JMA) which sets out the ways in which the various constituent parts shall work together. In this report this "international partnership" is called "Operation Mobilisation Worldwide" (or "OM-Worldwide") and the company is called "OM International".

Recruitment and Appointment of the Board of Directors

The directors are also the trustees for the purposes of charity law. As of the date of this report the Board consists of fourteen experienced and committed directors. Only the members (who in our case are the Board of Directors) have the power to appoint new trustees/directors.

Induction and Training of Directors

In the event of new Directors being recruited they are invited to attend a meeting prior to any decision concerning their appointment, and are provided with material to give them background and necessary information regarding the organisation.

Risk Management

The directors have identified and evaluated the areas of major risk and the action required to mitigate those risks. Procedures are in place to keep areas of risk under review and identify future risk areas. These procedures are in turn reviewed on a regular basis by the directors. The directors have considered the risks to the company in light of the Covid-19 pandemic and believe the Charity is able to manage and mitigate those risks.

Risk and Uncertainties

The principal risks and uncertainties facing the charity include:

- loss of key personnel, and the inability to recruit suitably qualified personnel to meet the on-going needs of the organisation;
- computer system failure, although this is now hosted and backed up off-site to mitigate this risk;
- inadequate reserves in the event of funding cuts resulting from decisions made by OM-Worldwide; and
- reliance on gift income.

REPORT OF THE BOARD OF DIRECTORS

Risk and Uncertainties (continued)

In order to address the financial risks, an annual budget is maintained, and monthly management accounts are prepared to ensure that any significant problems are quickly identified. The charity endeavours to maintain on-going cash reserves which would provide time for solutions to be found in the event of funding shortfalls. There has been no significant drop in income during 2020-22 to date as a result of the pandemic. The charity's work benefits OM-Worldwide and it would seek support from the global organisation if required.

Going Concern Basis of Accounting

In assessing the company's ability to continue to adopt the going concern basis of accounting in the future, for at least 12 months from the date of this report, the directors have determined that there are no material uncertainties relating to events or conditions that may cast significant doubt upon the continuing use of the going concern basis of accounting in future periods. The directors have considered the on-going impact of the Covid-19 pandemic, but as income remained steady throughout 2020/21 and 2022 to date, and they do not believe the pandemic will affect the company's ability to continue as a going concern.

Key Management Personnel Remuneration

Remuneration of the charity's key management personnel is set in consultation with the relevant individuals. As a mission organisation those joining are committed to the ethos of the charity and do not have an expectation of receiving market rates of pay and remuneration. The National Living Wage is the minimum rate paid, and the remuneration levels are set taking into account the individual's situation and their level of responsibility within the organisation.

Fundraising

The charity does not actively engage in fundraising and does not use the services of any professional or commercial fundraiser. The main sources of voluntary income are an administration grant received from OM fields around the world on the gifts they receive, and financial support raised by personnel working with the charity through their contact with sending churches, friends, and family. Support raising by personnel is monitored by their sending OM fields, and support gifts are received by those fields and then forwarded to OM International. The charity has not received any complaints relating to fundraising activities and is not aware of any complaints received by OM fields fundraising on behalf of the charity.

Brexit

The finance management team and the board of directors have discussed potential challenges relating to Brexit. Different solutions have been brought forward and put in place to deal with the situation. The board of directors are confident that the measures taken are adequate to address the potential risk.

COVID-19

The on-going impact of the Covid-19 pandemic continued throughout 2021. There was no noticeable decrease in income during 2020 or 2021. Expenses decreased as international travel for OM International personnel ceased during 2020 and only gradually recommenced during 2021. Many events and meetings were cancelled or moved on-line. Many of the services we provide to the OM world continued, and planning and training continued on virtual platforms. The implementation of some projects has been delayed by the inability to travel, or unavailability of relevant personnel, but new ways of working were explored and encouraged. Many of the changes brought on by the pandemic have proved to be useful and continue to be utilised.

OBJECTIVES AND ACTIVITIES

OM International's principal objective, as set out in the Memorandum of Association, is to support, through the provision of services including administration and co-ordination, charities and NGOs both in the UK and worldwide whose purposes include:

- the advancement of education (particularly for the improvement of literacy and vocational skills);
- the relief of sickness or poverty by assisting any sick persons or necessitous persons;
- the relief of suffering and distress;
- the advancement of health;
- the advancement of religion; and
- any other charitable purposes associated with the above that may be of benefit to the community.

REPORT OF THE BOARD OF DIRECTORS

OM International plays a key role in co-ordinating decision making on common standards throughout the OM world. It also supplies services and resources vital to the functioning of OM internationally.

OM-Worldwide's stated objective is "we want to see vibrant communities of Jesus followers among the least reached".

Public Benefit

The directors are aware of the Charity Commission guidance on public benefit, and the two key principles of public benefit, namely that there must be an identifiable benefit or benefits, and that benefit must be to the public, or a section of the public.

The Board believes that by supporting the work of OM-Worldwide it supports the whole mission of OM. The aim of OM-Worldwide is to mobilise people to share the Christian faith with every generation in every nation, pioneering and leading initiatives to redeem lives, rebuild communities and restore hope. OM-Worldwide works in over 118 countries, motivating and equipping people to share God's love with people all over the world. This involves over 5,000 workers from at least 120 different nations. In doing so, the Board believes that it provides a benefit to the public by:

- planting and strengthening churches which provide facilities for public worship, pastoral care, and spiritual and moral development for anyone who wishes to benefit from what the churches offer;
- promotion of Christian values, and service by members of OM-Worldwide to the communities in which they serve; and
- relief and development work in countries suffering the effects of natural disasters, or where sections of the community have been deprived of the basic necessities of life.

The board relies on feedback from OM international leadership, and from OM fields around the world, to assess the value and effectiveness of the organisation's work. Reports are available of the work being done by OM fields, and the board is confident that the services provided by this charity enable and facilitate that work. Department heads are in regular contact with OM leaders around the world to ensure that the services provided meet their needs and increase their effectiveness.

ACTIVITIES

During 2021 OM International continued to provide services and resources to increase the effectiveness of OM ministry around the world. Some of the highlights or major activities during the year are as follows:

Global Services: This division includes IT, Personnel, People Care, Crisis and Security Management, Disaster Response, Finance and Audit.

- The Management System project is making progress in rollout of new software packages that will provide the needed services for finance and HR management. A lot of energy was invested in training and preparation.
- The people services team (including personnel, HR policies, and people care) are strengthening the support services and stream lining processes.
- The people care team, crisis management team and disaster response team continued to give support in Covid-19 pandemic related issues and other crisis and disaster situations.

Resourcing: This division is responsible for the areas of financial generosity, Global Branding & Marketing, and TeenStreet.

- Due to Covid we had to postpone some planned work for 2021; a feasibility study is now underway in Germany and the UK. And we hope to start soon in East Asia, so we can launch campaigns there.
- The Global Brand Marketing team has made more tools available in 2021 and was able to assist a growing number of fields in localized global campaigns.
- By the end of 2021, we had 26 organizing fields who facilitate a discipleship movement for Teenagers from at least 64 fields.

Organisational Development: This division includes Training, Leadership development, Research, Prayer, and Board Development.

- During 2021, we both developed and launched a brand-new online learning platform called EquipMe Online (www.equipmeonline.com). The move to a new platform was driven by the need to offer training in multiple languages, to offer easy access to training on a mobile phone, to allow non-OM partners to join training opportunities, and to allow self-paced training. We are thrilled by the results – six months post-launch we now have over 1000 active users and the number is growing all the time.
- As Covid-restrictions ease, training continues to be offered in person across the world with (for example) exciting in-person opportunities emerging in the Sahel region.
- The Global Prayer team have continued to facilitate monthly Global Days of Prayer throughout the pandemic, drawing OM teams together across the world.

REPORT OF THE BOARD OF DIRECTORS

- Board training was severely impacted by Covid and ground to a virtual halt. In 2022, we already plan in person events with several boards and a global training event for board facilitators in June 2022.
- REACH programmes continue to work well together globally (five month discipleship programmes in 9 different nations) and two more REACH are in the process of being developed – one in Georgia and the other in Kazakhstan.
- Leadership development continues to focus on equipping our leaders at all levels with Senior Leaders part 1 running online with 15 participants from 15 countries, including the majority coming from the Global South.
- We concluded the 3.5 year Training Task Force in 2021 having produced 17 new pieces of training in five keys areas which was exciting.

Field Ministries: This division has continued to provide leadership for the work OM is doing around the world in implementing our vision.

- During 2021 the work continued sharpening our focus on effectiveness working towards our vision, especially with increased cross-learning and training.
- A focused team was formed under the Field Ministries Division to lead mobilisation implementation work. The work so far has been characterised by wide engagement initiatives as we seek to move forward on a journey together
- We have not just been tracking our outcomes against our mission and vision but have also begun to track and understand better the role of OM-ers, partners and others in that.

Since May 2020 the Global Capacity Fund, which had previously been held by OM-USA and OM-Canada, has been managed by OM International. This restricted fund comprises gifts received from one major donor in the USA, primarily for the development of OM's structure and systems, and investment into some key initiatives. Grants from this fund have been made to other OM entities and there have also been internal grants to other departments for specific purposes which continue to be held as restricted funds.

Leadership and support to OM-Worldwide is provided from Carlisle, which to remains a service hub primarily for some IT services as well as finance services, and by leaders scattered around the world who work with OM International, including a small number based in the UK. The Board provide oversight, support and accountability to OM's International Director. Board members are located around the world (Australia, Singapore, Malaysia, Zambia, Netherlands, Ecuador, Barbados, USA, UK and Philippines).

FINANCIAL REVIEW

The full results of the company for the year to 31 December 2021 are set out in the financial statements on pages 18 to 30.

Total income for 2021 was £5.08 million (2020 - £6.73 million), and total expenditure totalled £5.53 million (2020 - £5.08 million). The net expenditure of £447,778 can be analysed as follows:

	2021	2020
Unrestricted – General	£385,004	£144,007
Unrestricted – Designated Fund – GIF	£67,447	£100,748
Unrestricted – Designated Fund – Asset Fund	(£843,601)	(£35,104)
Restricted Funds	(£56,628)	£1,436,243
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Net (expenditure)/income	(£447,778)	£1,645,894

The main sources of income were as follows:

	2021	2020
Gifts and grants received	£3,246,376	£4,975,997
Gift of property from Witness & Testimony Trust	-	-
Gifts received for the support of personnel	£1,520,306	£1,380,149
Income generated from charitable activities	£305,789	£312,595
Coronavirus Job Retention Scheme grants	-	£14,760
Depreciation recovered	£6,099	£36,058
Investment income	£2,665	£10,923

Dividends are not permitted under the Articles of Association.

REPORT OF THE BOARD OF DIRECTORS

Reserves Policy

Total unrestricted reserves, excluding designated reserves, totalled £1,664,152 at the year-end (see note 14). The directors consider that unrestricted reserves should be maintained at a sum equivalent to approximately three months of unrestricted costs. General unrestricted costs, excluding designated funds, for 2021 totalled £3,226,257. Therefore, at year end unrestricted reserves equated to 6.0 months of unrestricted costs (2020 – 5.0 months). The increase in reserves is partly due to the restriction in activities caused by the Covid 19 pandemic. It is anticipated that reserves will be utilised over the next few years.

Designated reserves held at year end included the Global Impact Fund £420,208 (2020 - £352,761) and the Asset Fund £1,268,600 (2020 - £2,112,201) representing net tangible assets.

Restricted funds, representing the balance of gifts and grants received for specific projects less related expenditure, were £2,065,173 (2020 - £2,121,800).

Grant Making Policy

Grants made during the year totalled £1,143,402 (2020 - £1,226,919). Grants are made in support of various international ministries and projects of OM-Worldwide, or to other OM fields in need of financial assistance. Grants from the designated GIF funds are approved by the International Director, in line with guidelines provided by the Board. Other grants from general funds have been provided for in the budget for the year which has been approved by the Board. Any other grants require the Board's approval. The grants made contribute to the charity's objective of supporting OM ministries around the world.

Investment Policy

The Memorandum of Association gives the directors the power to deposit or invest funds in any manner, but to invest only after obtaining such advice from a financial expert as the directors consider necessary and having regard to the suitability of investments and the need for diversification. Currently, surplus cash funds are deposited in an interest bearing account with NatWest Bank.

PLANS FOR FUTURE PERIODS

OM International will continue to provide services and resources to increase the effectiveness of OM ministry around the world. The stated objective of OM-worldwide is “to see vibrant communities of Jesus followers among the least reached”. Our divisions and some of their future plans include:

Global Services:

- The roll out phase of the Management System continues and much support is needed to guide entities through this process.
- The people care team, crisis management team and disaster response team are very much involved in the Ukrainian crisis, supporting the teams in the Ukraine and in surrounding countries.
- The personnel team is working closely with the training department to rethink the onboarding process and training of people joining the organisation.

Resourcing:

- By the end of 2022 we plan to finish the feasibility study, which will give us good insight on the next steps. By the end of the year we intend to hire a new Major Gift Officer in each focus field.
- Global Brand Marketing intentionally seeks to increase the number of fields joining with international campaigns. The Fuller Course is an excellent tool to mobilise many.
- Every field will have a 3 year strategy plan, in order to increase the number of active small groups of teenagers in each field.

REPORT OF THE BOARD OF DIRECTORS

Organisational Development:

- We continue to rethink leadership development with a majority world lens and have just relaunched our younger leaders training, Joshua Journey, having revamped it with a greater emphasis on communal learning, spiritual formation and the leadership journey. Monthly modules will continue throughout 2022.
- In the last month of 2021, we launched a brand-new Talent Management assessment model primarily aimed at assessment in our leadership development training. In 2022 we hope to see this used more widely organisationally to enable us to intentionally develop our younger leaders with high potential.
- The International Coaching Academy continues to train high level leadership coaches to support our leaders. In 2022, we launched ILCA BEYOND – aimed at continuing the equipping and learning for those we have trained. We are also developing an online learning community for coaches. Early engagement looks promising.
- Our popular programme, Coach Mentoring Essentials (CME), was revamped during Covid. In early 2022, we relaunched in-person CME training in S Africa. Six CME clinics are already booked over 2022 and we imagine there will be others.
- In late 2021, a cross boundary working group handed their findings to Organisational Development. Throughout 2022, we plan to examine the tool they developed for aiding cross boundary work. Part of the process will mean developing skilled cross boundary coaches to facilitate good cross boundary work between OM teams and entities.
- Research projects for 2022 include a focus on our progress to mission (are we doing what we say we're doing and how can we demonstrate that) and further work on the concept of "same and near culture workers" as it applies to our ongoing global ministry
- Board training kicks off again in 2022 after a Covid-hiatus. We plan a global board track at our International Leaders' meetings in May 2022 followed by a global board facilitators training in June 2022, and various in-person training engagements with various boards.

Field Ministries

- The Field Ministries Division will continue to support fields to see "vibrant communities of Jesus followers". The focus on cross-learning across OM will increase as will efforts to increase sustainability for those involved in this.
- We anticipate that the mobilisation work will reach the stage where specific proposals for change can be adopted and the implementation phases began.

FUNDS HELD AS CUSTODIAN TRUSTEES FOR OTHERS

The company acts as custodian trustee in respect of the transmission of worldwide income and expenditure, received and paid respectively by one Operation Mobilisation organisation in respect of another. All the organisations have similar objectives. The assets held at 31 December 2021, totalling £20,656,981 (2020 - £15,583,656) are held in a custodian capacity for the settlement of the corresponding liabilities. These amounts do not therefore form part of the charity's balance sheet. This facility is known within OM-Worldwide as the International Clearing House (ICH). Provision of the ICH facility further supports the work of OM-Worldwide enabling efficient movement of funds between OM organisations around the world. ICH funds are held with ING Bank, Belgium, and the management of those funds is completely separate from the company's banking arrangements.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS

Company and charity law requires the Board, as trustees and directors, to prepare financial statements for each financial period which give a true and fair view of the state of the affairs of OM International and the results for the period. In preparing the financial statements, the directors have:

- selected suitable accounting policies and applied them consistently;
- reached judgements and made estimates that are considered reasonable and prudent;
- stated whether applicable accounting standards and Statements of Recommended Practice have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepared the financial statements on the going concern basis unless it was inappropriate to assume that the Charity would continue in operation.

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

REPORT OF THE BOARD OF DIRECTORS

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

Members of the Board of Directors, who are directors for the purposes of company law and trustees for the purpose of charity law, who served during the year and up to the date of this report are set out on page 3. In accordance with company law, as the company's directors, we certify that:

- so far as we are aware, there is no relevant audit information of which the company's auditors are unaware.
- we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant information and to establish that the charity's auditors are aware of that information.
- as far as we are aware, there were no serious incidents or other matters relating to the charity that should have been declared under section 169 of the Charities Act 2011 and recognise that false or misleading information constitutes a default under statutory requirements under section 60 of the Charities Act 2011.
- we have complied with the duty in Section 4 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit when reviewing the charitable objectives and aims of Operation Mobilisation, as well as in planning future activities.

AUDITORS

A resolution to re-appoint Mazars LLP as auditors to the company, and to authorise the directors to fix their remuneration, will be proposed at the Annual General Meeting.

SMALL COMPANIES NOTE

In preparing this report the directors have taken advantage of the small company exemptions provided by section 415A of the Companies Act 2006.

Approved by the Board of Directors on 26th September 2022 and signed on its behalf by:



By order of The Board
Julyan Lidstone (Director)
Date: 26th September 2022

Independent auditor's report to the members of OM International

Opinion

We have audited the financial statements of OM International (the 'charity') for the year ended 31 December 2021 which the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31st December 2021 and of 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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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 charity'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 annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Directors' report 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 light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

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

- adequate accounting records have not been kept, 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.
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' 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 9, 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 charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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 the financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

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.

Based on our understanding of the charity and its industry, we considered that non-compliance with the following laws and regulations related to the Charities Act 2011, the Charities Statement of Recommended Practice, UK tax legislation, pensions legislation, employment regulation and health and safety regulation, anti-bribery, corruption and fraud, money laundering and non-compliance with implementation of government support schemes relating to COVID-19 and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Companies Act 2006.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the charity is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;

- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the charity which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as the Companies Act 2006.

In addition, we evaluated the trustees' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to use of restricted funds, and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the trustees and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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.

Use of the audit report

This report is made solely to the charity'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 charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body for our audit work, for this report, or for the opinions we have formed.



Vincent Marke (Sep 28, 2022 20:39 GMT+1)

Vincent Marke (Senior Statutory Auditor)

For and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

1 St Peter's Square,
Manchester,
M2 3DE

Date: Sep 28, 2022

ACCOUNTING POLICIES

1 GENERAL INFORMATION

OM International is a private company (registered number: 05649412) limited by guarantee and is non-profit making. The charity is incorporated in the United Kingdom and registered within England and Wales. The registered address of the charity is included on page 3.

2 BASIS OF PREPARATION

The financial statements have been prepared in accordance with applicable Accounting Standards in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

OM International meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note. The financial statements have been prepared in Pound Sterling as this is the currency of the primary economic environment in which the company operates.

3 ACCOUNTING CONVENTION

These financial statements have been prepared on the going concern basis under the historic cost convention.

4 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In applying the charity's accounting policies, the directors are required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The directors' judgements, estimates and assumptions are based on the best and most reliable evidence available at the time when the decisions are made, and are based on historical experience and other factors that are considered to be applicable. Due to the inherent subjectivity involved in making such judgements, estimates and assumptions, the actual results and outcomes may differ.

The property situated at 39 Honor Oak Road, Forest Hill, London, is included within tangible fixed assets at a deemed cost of £1.5 million, reflecting the external professional valuation obtained when the property was transferred from Witness and Testimony Trust in 2019. Following the Board's decision in 2020 to sell the property it became evident that the marketability of the property is restricted by a long-term lease on part of the property. Following extensive investigations of various options, and aware of the on-going costs associated with keeping the property, the directors are currently in negotiations to sell the property to the leaseholder at a price which is below the carry value. Therefore the decision has been made to impair the value of the property to reflect the best estimate of sales proceeds less costs to sell, resulting in an impairment loss of £800,000.

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

Critical accounting judgements

The critical accounting judgements that the directors have made in the process of applying the charity's accounting policies that have the most significant effect on the amounts recognised in the statutory financial statements are discussed below.

ACCOUNTING POLICIES

4 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Estimating value in use

Where an indication of impairment exists the directors will carry out an impairment review to determine the recoverable amount, which is the higher of fair value less cost to sell and value in use. The value in use calculation requires the directors to estimate the future cash flows expected to arise from the asset or the cash generating unit and a suitable discount rate in order to calculate present value.

Recoverability of receivables

The charity believes all receivables to be recoverable and has not made any provision for unrecoverable amounts. When assessing recoverability the directors consider factors such as the ageing of the receivables, past experience of recoverability, and the credit profile of individual or groups of customers.

Determining residual values and useful economic lives of property, plant and equipment

The charity depreciates tangible assets over their estimated useful lives. The estimation of the useful lives of assets is based on historic performance as well as expectations about future use and therefore requires estimates and assumptions to be applied by management. The actual lives of these assets can vary depending on a variety of factors, including technological innovation, product life cycles and maintenance programmes. Judgement is applied by management when determining the residual values for fixtures, fittings and equipment. When determining the residual value, management aim to assess the amount that the company would currently obtain for the disposal of the asset, if it were already of the condition expected at the end of its useful economic life. Where possible this is done with reference to external market prices.

5 FUND ACCOUNTING

Unrestricted Funds are available for use at the discretion of the directors in furtherance of the general objectives of the charity.

Designated Funds are unrestricted funds that the directors have set aside for specific purposes.

Restricted Funds are subject to restrictions on their use, either imposed by the donor or included in the terms of an appeal.

6 INCOME

Gifts received are accounted for as soon as it is prudent and practicable to do so, generally the earlier of the date of notification or receipt. Gifts in kind are included at an estimated value.

Income from charitable activities includes turnover in relation to sales of audio visual supplies and the provision of audio visual services, rent income and registration fees for training events.

Net currency exchange gains are included in income from charitable activities.

Net currency exchange losses are included in expenditure on charitable activities.

ACCOUNTING POLICIES

7 EXPENDITURE

COSTS OF GENERATING FUNDS

This amount represents administration costs charged by OM offices worldwide on the gifts they receive for OM International.

DIRECT CHARITABLE EXPENDITURE

Includes all expenditure directly related to the objects of the charity and comprises the following:

Support to other missions

This amount represents expenditure incurred by the charity in supporting the ministry of OM-Worldwide. This includes personnel costs, provision of office facilities, travel costs, and depreciation on buildings, vehicles and equipment.

Net currency exchange losses incurred during the year are also included in this figure.

Costs of generating income from Charitable Activities

This amount represents expenditure incurred by the audio visual department, and the provision of training courses by the International Human Resources department. These activities generate income by way of payment for services received, sale of goods, and registration fees for courses.

Governance

This comprises expenditure incurred in the management of the charity's assets, organisational administration and compliance with constitutional and statutory requirements.

8 FIXED ASSETS AND DEPRECIATION

In general, tangible fixed assets with a cost over £500 and all vehicles are capitalised in the financial statements, and are stated at cost less depreciation.

During 2021, depreciation has been provided in order to write-off the cost of tangible fixed assets on a straight line basis over their estimated useful lives, using the following rates:

Long leasehold buildings	2% per annum
Outfitting of building, and initial furniture	10% per annum
IT equipment (computers and phone system)	20-33% per annum
Other fixtures, fittings and equipment	20% per annum
Vehicles	20-50% per annum

Impairment losses on the value of London property are detailed in note 4 above.

9 FOREIGN CURRENCIES

Income and expenditure items denominated in foreign currency are translated into sterling and recorded at the rate ruling for the month of the transaction. Balance Sheet items denominated in foreign currency are translated into sterling and recorded at the rate ruling at the end of December. These rates (provided by the International Finance Office) are used in Operation Mobilisation Worldwide.

10 OPERATING LEASES

Rentals payable under operating leases are charged on a straight-line basis over the term of the lease.

ACCOUNTING POLICIES

11 PENSIONS

The charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the charity to the fund in respect of the year. All pension costs relate to unrestricted funds.

12 FINANCIAL INSTRUMENTS

The charity has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

13 GOING CONCERN

The directors have reviewed the charity's financial position and have confidence that the charity has adequate resources to continue in operation for a minimum of twelve months after the date of approval of these financial statements and therefore can continue to adopt the going concern basis of accounting in preparing the financial statements. There are no material uncertainties in respect of going concern. The directors have considered the on-going potential impact of the Covid-19 pandemic, but income remained steady throughout 2020 and 2021 to date, and they are confident of the company's ability to continue as a going concern.

STATEMENT OF FINANCIAL ACTIVITIES

Including income and expenditure account

Year ended 31 December 2021

	Notes	Unrestricted Funds £	Restricted Funds £	2021 Total Funds £	2020 Total Funds £
INCOME					
Donations and gifts	2	3,625,501	1,141,181	4,766,682	6,356,146
Income from investments		2,665	-	2,665	10,923
Income from charitable activities	2	261,497	44,292	305,789	312,595
Other income	2	6,099	-	6,099	50,818
Total Income		3,895,762	1,185,473	5,081,235	6,730,482
EXPENDITURE					
Costs of Raising Funds					
Costs of generating voluntary income		193,630	122,518	316,148	360,160
Expenditure on Charitable Activities	3				
Costs of charitable activities		4,225,917	986,948	5,212,865	4,724,428
Total Expenditure		4,419,547	1,109,466	5,529,013	5,084,588
Net (Expenditure)/Income Before Transfers	5	(523,785)	76,007	(447,778)	1,645,894
Gross Transfers between Funds	14	132,635	(132,635)	-	-
Net (Expenditure)/Income		(391,150)	(56,628)	(447,778)	1,645,894
Fund Balance brought forward as at 31 December 2020		3,744,110	2,121,801	5,865,911	4,220,017
Fund Balance carried forward as at 31 December 2021	14	3,352,960	2,065,173	5,418,133	5,865,911

The company's income and expenditure all relate to continuing operations.
The Statement of Financial Activities includes all gains and losses in the year.

BALANCE SHEET

As at 31 December 2021

Company Number 05649412

	Notes	£	2021 £	2020 £
Fixed Assets				
Tangible assets	8	1,268,600		2,112,201
Investment Property		<u>-</u>		<u>-</u>
TOTAL FIXED ASSETS			1,268,600	2,112,201
Current assets				
Debtors	9	3,956,470		2,673,857
Cash at bank and in hand		<u>280,502</u>		<u>1,219,305</u>
		4,236,972		3,893,162
CREDITORS:				
Amounts falling due within one year	10	<u>(87,439)</u>		<u>(139,452)</u>
NET CURRENT ASSETS			<u>4,149,533</u>	<u>3,753,710</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			5,418,133	5,865,911
CREDITORS:				
Amounts falling due after one year			<u>-</u>	<u>-</u>
			<u>5,418,133</u>	<u>5,865,911</u>
FUNDS				
Unrestricted Funds – Designated	14&15		1,688,808	2,464,962
– General	14&15		1,664,152	1,279,148
Restricted Funds	14&15		<u>2,065,173</u>	<u>2,121,801</u>
			<u>5,418,133</u>	<u>5,865,911</u>

These financial statements have been prepared in accordance with the special provisions of the Companies Act 2006 relating to small companies.

These Financial Statements were approved by the Board of Directors on 26th September 2022 and signed on their behalf by



Julyan Lidstone
Director

STATEMENT OF CASH FLOWS

Year Ended 31 December 2021

	Note	2021 £	2020 £
CASH (UTILISED BY)/GENERATED FROM OPERATING ACTIVITIES	18	(925,829)	524,937
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		2,665	10,923
Interest paid		-	-
Purchase of tangible fixed assets		(24,577)	(42,131)
Proceeds from sale of tangible fixed assets		8,938	640,519
NET CASH (USED IN)/FROM INVESTING ACTIVITIES		(12,974)	609,311
CASH FLOWS FROM FINANCING ACTIVITIES			
Loan repayments		-	-
NET CASH USED IN FINANCING ACTIVITIES		-	-
(DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(938,803)	1,134,248
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		1,219,305	85,057
TOTAL CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		280,502	1,219,305

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 December 2021

1 TAXATION

The company is a registered charity whose charitable activities are fully exempt from United Kingdom corporation and capital gains tax.

2 ANALYSIS OF DONATIONS AND GIFTS

	2021 £	2020 £
Unrestricted Voluntary Income		
Gifts	170,665	170,662
Gift of property from Witness & Testimony Trust	-	
Gifts for support of personnel	1,520,306	1,380,149
Administration income on OM gifts worldwide	1,809,727	1,743,085
Grants from OM fields	114,717	50,247
Other gift income	10,086	69,188
Total Unrestricted Voluntary Income	3,625,501	3,413,331
Restricted Voluntary Income		
Gifts for ICT	857,902	1,216,852
Grants for ICT from OM fields	282,797	1,723,418
Other gift income	482	2,545
Total Restricted Voluntary Income	1,141,181	2,942,815

ANALYSIS OF INCOME FROM CHARITABLE ACTIVITIES

	2021 £	2020 £
Unrestricted Income from charitable activities		
Audio Visual services and sales	47,270	53,108
Rent income	43,637	50,988
Registration fees	71,986	140,979
International finance costs recharged	39,671	42,321
ICH contribution to cover expenses	5,435	6,240
Exchange gains	48,230	-
Other income	5,268	7,379
Total Unrestricted income from charitable activities	261,497	301,015
Restricted Income from charitable activities		
Registration Fees	21,534	4,035
Financial Development services	22,758	6,227
Other income	-	1,318
Total Restricted income from charitable activities	44,292	11,580

Income from charitable activities totalled £259,630, of which £185,921 came from outside the UK.

ANALYSIS OF OTHER INCOME

	2021 £	2020 £
Depreciation recovered on sale of assets	4,027	234
Capital gain on sale of fixed assets	2,072	35,824
Coronavirus Job Retention Scheme grants	-	14,760
Total other income	6,099	50,818

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 December 2021

3 ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

	Unrestricted	Restricted	2021 £	2020 £
Support to other Missions				
OM International's main role is to support the work of Operation Mobilisation around the world. To do this expenditure was incurred as follows:				
Administration	559,227	123,600	682,827	716,532
Personnel	2,165,985	53,916	2,219,901	2,042,023
Travel	72,197	11,748	83,945	189,310
Grants made (note 4)	355,903	787,499	1,143,402	1,266,919
Interest	-	-	-	-
Depreciation	48,297	-	48,297	47,892
Exchange losses	-	2,919	2,919	114,398
Impairment losses	800,000	-	800,000	-
Total Support to other Missions	4,001,609	979,682	4,981,291	4,377,074
Costs of generating income				
Audio Visual department	70,024	-	70,024	67,396
Depreciation – Audio Visual department	17,043	-	17,043	24,884
ICH	11,131	-	11,131	11,266
International Leaders Meeting	20,942	-	20,942	128,076
International Personnel courses	48,966	-	48,966	17,038
Global Services	44,700	-	44,700	66,832
Financial Development	-	7,266	7,266	20,444
Total costs of generating income	212,806	7,266	220,072	335,936
Governance costs				
Audit and accountancy fees	11,502	-	11,502	11,418
Total governance costs	11,502	-	11,502	11,418
TOTAL EXPENDITURE ON CHARITABLE ACTIVITIES	4,225,917	986,948	5,212,865	4,724,428

4 GRANTS MADE

Grants made during the year totalled £1,143,402 (2020 - £1,266,919). These were made in support of various international ministries and projects of OM-Worldwide, or to other OM fields in need of financial assistance. Grants from the designated GIF funds are approved by the International Director, in line with guidelines provided by the Board. Other grants from general funds have been provided for in the budget for the year which has been approved by the Board. Any other grants require the Boards approval. No significant support costs are incurred in relation to grant making activities.

5 NET (EXPENDITURE)/ INCOME

Net (expenditure)/income before transfers for the year is stated after charging the following:

	2021 £	2020 £
Depreciation on Tangible Fixed Assets	65,340	72,776
Impairment losses	800,000	-
Auditor's Remuneration:		
Audit Fee	11,502	11,418
Non-Audit Fee – other services	7,440	4,140
Total Remuneration	18,942	15,558

The Non-Audit Fee is for the provision of an accountants' report on the financial records of the International Clearing House (ICH) and taxation services.

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 December 2021

6 ACTING AS AGENT

OM International acts as agent/trustee in respect of the transmission of worldwide income and expenditure, received and paid respectively by one Operation Mobilisation organisation in respect of another. This facility is known within OM-Worldwide as the International Clearing House (ICH).

During the year OM International Services (Carlisle) Ltd, in its capacity as agent, has handled over US\$30 million received from, and paid out to, OM fields. In total ICH has facilitated the transfer of US\$60 million of income and expenses between OM fields during the year. These amounts are not recorded as income and expenditure in these financial statements as the funds are received and paid out as agent for the OM fields, and do not represent income or expenditure for the company.

At the year-end ICH held the following assets:

	2021	2020
Exchange rates used for conversion of USD balance to GBP	1.3540	1.3660
	£	£
Bank balances	17,333,376	12,512,817
Debtors (amounts due from OM fields)	3,323,605	3,070,839

These amounts are held in a custodian capacity for the settlement of the corresponding liabilities, primarily consisting of balances due to OM fields.

7 STAFF COSTS AND DIRECTORS' REMUNERATION

	2021	2020
	£	£
Salaries and wages	726,983	755,256
Employer's National Insurance Contribution	49,513	49,144
Pension Contributions	19,166	20,751
Total	795,662	825,151

There are no employees with emoluments above £60,000. No pension contributions were allocated to restricted funds.

The key management personnel of the charity comprise the Board of Directors, the Associate International Directors (who are not company directors), the Team Leader, the IT Manager and the Finance Manager. The Board of Directors receive no remuneration. The total employee benefits of the key management personnel of the charity were £102,744 (2020: £85,077).

As at 31 December 2021 there were 41 employees on the payroll. The average number of persons employed by the company during the year was 43. The employees were in the following roles:

	2021	2020
	Number	Number
Support to other missions	31	34
Administration	7	8
Management	2	2
Finance	3	3
Total	43	47

As charity trustees, the Board of Directors, who are not employees, received no remuneration for their services. Directly incurred expenses, when claimed, are reimbursed, or paid directly to third parties. In 2021 these totalled £50 for travel expenses (2020 - £7,287) and £nil for accommodation costs (2020 - £7,417), for one director. Due to the Covid pandemic all board meetings in 2021 were held virtually.

Also involved in the work of the charity were 5 self-supporting volunteers, and 35 people resident overseas.

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 December 2021

8 TANGIBLE FIXED ASSETS

	Long Leasehold Land & Buildings £	Outfitting of Buildings £	Vehicles £	Fixtures, Fittings & Equipment £	TOTAL £
Cost:					
At 1 January 2021	2,228,119	141,580	20,357	548,086	2,938,142
Additions	-	-	-	24,577	24,577
Disposals	-	-	(8,200)	(13,724)	(21,924)
At 31 December 2021	2,228,119	141,580	12,157	558,939	2,940,795
Depreciation:					
At 1 January 2021	203,872	141,580	18,357	462,132	825,941
Disposals	-	-	(6,200)	(12,886)	(19,086)
Charge for the year	14,562	-	-	50,778	65,340
Impairment losses	800,000	-	-	-	800,000
At 31 December 2021	1,018,434	141,580	12,157	500,024	1,672,195
At 31 December 2021	1,209,685	-	-	58,915	1,268,600
At 1 January 2021	2,024,247	-	2,000	85,954	2,112,201

The property situated at 39 Honor Oak Road, Forest Hill, London, is included within tangible fixed assets at a deemed cost of £1.5 million, reflecting the external professional valuation obtained when the property was transferred from Witness and Testimony Trust in 2019. Following the Board's decision in 2020 to sell the property it became evident that the marketability of the property is restricted by a long-term lease on part of the property. Following extensive investigations of various options, and aware of the on-going costs associated with keeping the property, the directors are currently in negotiations to sell the property to the leaseholder at a price which is below the carry value. Therefore the decision has been made to impair the value of the property to reflect the best estimate of sales proceeds less costs to sell, resulting in an impairment loss of £800,000.

9 DEBTORS

	2021 £	2020 £
Due within one year:		
Amounts due from connected charities	3,828,813	2,594,801
Prepayments	95,115	52,018
Loans receivable	7,473	8,105
Other debtors	18,254	3,543
	3,949,655	2,658,467
Due within more than one year:		
Loans receivable	6,815	15,390
TOTAL DEBTORS	3,956,470	2,673,857

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 December 2021

10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Accruals	10,500	9,600
Social Security and other taxes	12,236	12,014
Pension contributions	5,228	5,665
Accounts payable	20,290	20,056
Amounts due to connected charities	38,525	87,077
Deferred income	660	5,040
	<u>87,439</u>	<u>139,452</u>

11 FINANCIAL INSTRUMENTS

	2021 £	2020 £
Financial assets measured at amortised cost	<u>3,861,355</u>	<u>2,621,839</u>
Financial liabilities measured at amortised cost	<u>76,939</u>	<u>122,398</u>
Cash and cash equivalents	<u>280,502</u>	<u>1,219,305</u>

Financial assets comprise other debtors, loans receivable and amounts due from connected charities.

Financial liabilities comprise loans and accounts payable.

12 DEFERRED INCOME

	2021 £	2020 £
Balance at 1 January 2021	5,040	-
Amount released to income	(5,040)	-
Amount deferred in the year	660	5,040
Balance at 31 December 2021	<u>660</u>	<u>5,040</u>

Deferred income comprises funding and personal support received in advance.

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 December 2021

13 CALLED UP SHARE CAPITAL

The company is limited by guarantee and therefore there is no share capital.

14 STATEMENT OF FUNDS

	At 31 December 2020 £	Income £	Expenditure £	Utilised/ transfers £	At 31 December 2020 £
Unrestricted					
General	1,279,148	3,602,910	(3,328,802)	110,896	1,664,152
Designated – Global Impact	352,761	292,852	(225,405)	-	420,208
Designated – Asset Fund	2,112,201	-	(865,340)	21,739	1,268,600
Total unrestricted funds	3,744,110	3,895,762	(4,419,547)	132,635	3,352,960
Restricted					
Financial Development	156,066	44,651	(7,330)	-	193,387
Organisational Development	273,199	18,235	(63,151)	39,303	267,586
Global Services Funds	176,812	740	(210,125)	193,902	161,329
Field Ministries	183,168	309,054	(29,047)	68,423	531,598
International Director Funds	23,830	-	(6,481)	20,054	37,403
Sportslink	16,108	-	(16,108)	-	-
Muslim Ministries Ambassador	4,524	-	(1,391)	1,000	4,133
Teenstreet Excellence	87,771	188,110	(113,933)	-	161,948
Global South Initiative	70,525	-	(106,665)	36,140	-
Global Capacity Fund	714,689	549,837	(283,785)	(519,776)	460,965
People Care Fund	104,121	-	-	-	104,121
COVID-19 Fund	229,655	68,352	(267,956)	-	30,051
Global Brand Development	77,733	-	-	28,319	106,052
General Restricted Funds	3,600	6,495	(3,495)	-	6,600
Total restricted funds	2,121,801	1,185,474	(1,109,467)	(132,635)	2,065,173
TOTAL FUNDS	5,865,911	5,081,236	(5,529,014)	-	5,418,133

Designated

The income funds of the charity include the following designated funds that have been set aside out of unrestricted funds held by the directors for specific purposes:

- The Asset Fund represents net tangible assets less any associated liabilities; and
- The Global Impact Fund represents funds set aside to respond to global needs within OM. In any year budgeted expenditure from the Global Impact Fund may exceed the balance brought forward from the previous year. Additional funds are designated each year to maintain a fund which is able to respond in the event of a crisis or disaster.

Transfers

The transfer of £21,739 from the General Fund to the Designated-Asset Fund represents the net increase in value of assets, after the provision of depreciation and impairment losses of £865,340.

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 December 2021

14 STATEMENT OF FUNDS (continued)

Restricted funds

The income funds of the charity include various gifts and grants given specifically for a number of projects which benefit OM-Worldwide. These restricted funds are held by the directors for specific purposes:

- The Financial Development Funds are used for projects which seek to train OM fields around the world in developing their financial backing.
- Projects administered by the Organisational Development department include a project to train and equip board members of OM entities around the world in the areas of governance and board management, and other training projects.
- The International Director Fund is a grant allocated from the Global Planning Process gift administered by OM Canada. The funds are to be used at the discretion of the International Director and the Global Leadership Team, in line with the donor's restrictions.
- The Global Capacity Fund comprises gifts received from one major donor in the USA, primarily for the development of OM's structure and systems, and investment into some key initiatives. Grants from this fund have been made to other OM entities. There have also been internal grants to other departments for specific purposes, and these continue to be held as restricted funds.
- Sportslink, MMA (Muslim Ministries Ambassador), Teenstreet, and Global South Initiative are international ministries of OM- Worldwide.
- The People Care Fund is administered by the Human Resources department, specifically for the purpose of people care.
- The COVID-19 Fund received gifts specially for allocation to OM fields experiencing hardship due to the effects of the pandemic. Grants were made to OM fields during 2020 and 2021, with a small balance still available for distribution.

15 ANALYSIS OF NET ASSETS BETWEEN FUNDS AS AT 31 DECEMBER 2021

	Tangible Fixed Assets £	Investments	Net Current Assets £	Long Term Creditors £	Total £
Unrestricted Funds					
Asset Fund	1,268,600	-	-	-	1,268,600
Global Impact Fund	-	-	420,208	-	420,208
General Fund	-	-	1,664,152	-	1,664,152
Total Unrestricted Funds	1,268,600	-	2,084,360	-	3,352,960
Restricted Funds	-	-	2,065,173	-	2,065,173
TOTAL FUNDS	1,268,600	-	4,149,533	-	5,418,133

ANALYSIS OF NET ASSETS BETWEEN FUNDS AS AT 31 DECEMBER 2020

	Tangible Fixed Assets £	Investments	Net Current Assets £	Long Term Creditors £	Total £
Unrestricted Funds					
Asset Fund	2,112,201	-	-	-	2,112,201
Global Impact Fund	-	-	352,761	-	352,761
General Fund	-	-	1,279,148	-	1,279,148
Total Unrestricted Funds	2,112,201	-	1,631,909	-	3,744,110
Restricted Funds	-	-	2,121,801	-	2,121,801
TOTAL FUNDS	2,112,201	-	3,753,710	-	5,865,911

NOTES TO THE FINANCIAL STATEMENTS

16 RELATED PARTY TRANSACTIONS

The company acts as Trustee in respect of the transmission of worldwide income and expenditure, received and paid respectively by one Operation Mobilisation organisation in respect of another. All the organisations have similar objectives. The assets held at 31 December 2021, totalling £20,656,981 (2020 - £15,583,656) are held in a custodian capacity for the settlement of the corresponding liabilities. This facility is known within OM-Worldwide as the International Clearing House (ICH).

Donations received during the year from directors and related parties totalled £nil (2020 - £nil). The directors may have donated via other OM offices towards the support of individuals working for the charity, however that information is not readily available.

17 COMMITMENTS

At 31 December 2021 the charity's total commitments under non-cancellable operating leases was as follows:

	2021 £	2020 £
Within one year	15,640	15,500
Two to five years	48,000	48,000
Over five years	31,000	43,000
Total	<u>94,640</u>	<u>106,500</u>

Lease payments recognised as an expense during the year totalled £26,420 (2020 - £26,000).

18 RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES

	2021 £	2020 £
Net movement in funds	(447,778)	1,645,894
Interest paid	-	-
Interest received	(2,665)	(10,923)
Depreciation charges	65,340	72,774
Profit on disposal of fixed assets	(6,100)	(36,058)
Loss on sale of fixed assets	-	-
Impairment losses	800,000	-
(Increase) in debtors	(1,282,613)	(1,204,728)
(Decrease)/increase in creditors	(52,013)	57,978
Net cash (utilised by)/generated from operating activities	<u>(925,829)</u>	<u>524,937</u>

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 December 2021

19 ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS

	Net Funds as at 1 January 2021 £	Cashflows out the year £	Net Funds as at 31 December 2021 £
Cash at bank and in hand	1,219,305	(938,803)	280,502
Total Cash and Cash Equivalents	1,219,305	(938,803)	280,502

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 December 2021

20 PRIOR YEAR COMPARATIVE SOFA

	Unrestricted Funds	Restricted Funds	2020 Total Funds
	£	£	£
INCOME			
Donations and gifts	3,413,331	2,942,815	6,356,146
Income from investments	10,923	-	10,923
Income from charitable activities	301,015	11,580	312,595
Other income	50,818	-	50,818
Total Income	3,776,087	2,954,395	6,730,482
EXPENDITURE			
Costs of Raising Funds			
Costs of generating voluntary income	179,455	180,705	360,160
Expenditure on Charitable Activities			
Costs of charitable activities	3,415,945	1,308,483	4,724,428
Total Expenditure	3,595,400	1,498,188	5,084,588
Net Income Before Transfers	180,687	1,465,207	1,645,894
Gross Transfers between Funds	28,963	(28,963)	-
Net Income	209,650	1,436,244	1,645,894
Fund Balance brought forward as at 31 December 2019	3,534,460	685,557	4,220,017
Fund Balance carried forward as at 31 December 2020	3,744,110	2,121,801	5,865,911