

# OM INTERNATIONAL

## Annual Report and Financial Statements

For the year ended 31 December 2022

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 2022.

## 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 (resigned 28 February 2023)  
Jon SEELEY  
Kelvin SAMWATA (resigned 24 September 2023)  
Paul HYNAM (Chairman – until 26 September 2022)  
Shura FACANHA  
Mary LEDERLEITNER (Chairman – from 26 September 2022)  
Zenaida MARAMARA  
Holly STEWARD (resigned 31 March 2023)  
Calisto ODEDE  
Andrea VOGT  
Seang Pin SAW (appointed 24 September 2023)

## 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

## 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  
I'Ching Thomas (from 1 June 2022)  
Wim Goudzwaard (til 31 May 2022)  
Katherine Porter  
Leon Hedding (resigned 21 August 2023)  
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 two directors in early 2023 the Board currently consists of 12 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 twelve 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.

## 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.

## COVID-19

The impact of the Covid 19 pandemic, which was significant during the previous two years, had virtually disappeared by 2022. International travel was possible, and many events and meetings were again held in-person rather than on-line. Income remained stable throughout the pandemic and there has been no noticeable effect.

## 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.

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".

# REPORT OF THE BOARD OF DIRECTORS

## 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 2022 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. The work is on-going and a many people are investing time and energy.
- The people services team supported the software roll out and we are very pleased to see how well the roll out (including training of staff) is progressing.
- The finance team is investing time and energy in training finance personnel around the globe.
- The people care team, crisis management team and disaster response team continued to give support to various crisis situations around the world, including the Ukraine war, Sudan crisis, and Turkey earthquake.

**Resourcing:** This division is responsible for the areas of financial development and generosity, Global Communications and Marketing, and TeenStreet.

- Feasibility studies were completed in Germany and in the UK; while a Major Gift Officer has been hired in East Asia and launched a first campaign there.
- The Global Communications and Marketing team went through a restructuring to merge the Internal Communications function into the same division as Global Communications. This transition to a new structure will serve the organisation more effectively as the department continues to create communications assets for fields to use in localized global campaigns.
- In 2022, we had over 37 catalytic events globally attended by over 10,000 teenagers. Additionally, over 29 new countries have started to roll out the TeenStreet discipleship movement

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

- The numbers of people accessing and engaging with training on our platform, EquipMe Online (EMO), continues to increase. We currently have more than 2000 users from both within and outside OM. Many have been developed in English, French, Spanish, Portuguese, and Finnish, and there are currently over 100 courses available in our main course catalogue. This continues to grow, even advertising courses that are offered by OM or partners that are not completely online, in line with our vision for EquipMe Online to be a 'one stop shop' for all things training.

# REPORT OF THE BOARD OF DIRECTORS

- The International Prayer Hub team grew to 10 members during 2022 and held the first Prayer Internship at the ZavCenter (Belgium), and sense a growing momentum for prayer within OM. We also gathered people from different nations for a special prayer focus in Saudi Arabia for the Mahri people.
- During 2022, the VCJF (Vibrant Communities of Jesus Followers) training team focused on rolling out Prepare to Harvest, our foundational VCJF training for the ministries we are engaged in across the world. Eighty eight people participated, several of whom committed to multiplying it in person to others around them. Translations are now available in Urdu and Russian.
- Training events for OM boards continued with more than 10 boards receiving in person training during the year.
- We continue to provide a number of Leadership Development programmes. 2022 saw the first cohort of 17 leaders graduate from the revamped Joshua Journey course. We have launched Intermediate Leadership Training in East Asia and Europe, and continue to support and strengthen Area Leadership Development initiatives. We have now graduated over 50 fully trained leadership coaches in our International Leadership Coaching Academy.

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

- During 2022 the work continued sharpening our focus on effectiveness working towards our vision, especially with increased cross-learning and training.
- The team that was formed in 2021 under the Field Ministries Division to lead mobilisation implementation work has continued its work particularly focused on developing a robust and relevant Theory of Change for OM in relation to mobilisation, and continued wide engagement. The initial phase of this team's work came to an end in December 2022.
- Our tracking of outcomes against our mission and vision has continued with a greater emphasis on qualitative outcomes.

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 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 2022 are set out in the financial statements on pages 18 to 30.

Total income for 2022 was £6.14 million (2021 - £5.08 million), and total expenditure totalled £6.05 million (2021 - £5.53 million). The net income of £88,554 can be analysed as follows:

|   | 2022      | 2021       |
|---|-----------|------------|
| Unrestricted – General                      | £155,065  | £385,004   |
| Unrestricted – Designated Fund – GIF        | £20,610   | £67,447    |
| Unrestricted – Designated Fund – Asset Fund | (£60,950) | (£843,601) |
| Restricted Funds                            | (£26,171) | (£56,628)  |
|   | -----     | -----      |
| Net income/(expenditure)                    | £88,554   | (£447,778) |

The main sources of income were as follows:

|   | 2022       | 2021       |
|---|------------|------------|
| Gifts and grants received                   | £3,746,380 | £3,246,376 |
| Gifts received for the support of personnel | £1,477,935 | £1,520,306 |
| Income generated from charitable activities | £885,593   | £305,789   |
| Depreciation recovered                      | £31        | £6,099     |
| Investment income                           | £27,686    | £2,665     |

Dividends are not permitted under the Articles of Association.

# REPORT OF THE BOARD OF DIRECTORS

## Reserves Policy

Total unrestricted reserves, excluding designated reserves and the concessionary loan, totalled £671,821 at the year-end (see note 16). 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 2022 totalled £4,428,732. Therefore, at year end unrestricted reserves equated to 1.8 months of unrestricted costs (2021 – 6.0 months). The anticipated sale of the Forest Hill property will replenish unrestricted reserves back to the target level.

Designated reserves held at year end included the Global Impact Fund £440,818 (2021 - £420,208) and the Asset Fund £1,244,945 (2021 - £1,268,600) representing net tangible assets.

Restricted funds, representing the balance of gifts and grants received for specific projects less related expenditure, were £1,661,500 (2021 - £2,065,173).

## Grant Making Policy

Grants made during the year totalled £1,400,969 (2021 - £1,143,402). 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.

## Social Investment Policy

In support of various international ministries and projects of OM-Worldwide, or to assist other OM fields in need of financial assistance, the Board may grant concessionary loans. In November 2022 the Board agreed to loan GBA Ships e.V. the sum of US\$1,800,000 (£1,487,603), interest free, and repayable in full by 30th October 2025. Early repayment can be required by giving 12 months' notice. The loan was provided to enable OM Ships to prepare M.V. Doulos Hope for ministry.

## 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 continue to provide help, support and training.
- The personnel team is working closely with the training department and are restructuring the onboarding process and training of people joining the organisation. Roll will start early 2024.

### Resourcing:

- By the end of 2023 we hope to have hired a Major Gift Officer in each focus field especially Germany and the UK.
- The Global Communications and Marketing department will be setting up a translation team to further help contextualize all our communications assets
- Help the list of countries that are currently on the wait-list to roll-out TeenStreet as well as scale-up and accelerate training for small group coaches globally

# REPORT OF THE BOARD OF DIRECTORS

## Organisational Development:

- Our online platform EquipMe Online continues to grow in line with our vision for it to be a ‘one stop shop’ for all things training. We continue to work with people around the OM world to improve learning opportunities across disciplines, languages, and formats. We are striving to provide quality training and tools to enable and empower collaborative content creation. We hope to offer additional new courses and increase the range of languages available.
- We are piloting a revamp of EquipT which is a course that equips people round the world to be trainers and develop training. We are excited about its potential to help us equip many more as we move forward.
- We are excited about three Prayer Internships in Belgium, Zambia and Nepal. We plan also to give greater emphasis on helping teams and fields plan and run their own day of prayer once a month, while the virtual prayer room stays open for six hours on the monthly Global Day of Prayer.
- With over 85 registered boards around the OM world we will be continuing our partnership with the McMillan foundation to roll out and deliver governance board training as widely as possible. August 2023 will see board chairs from all over Africa gather for two days training. Training in Malawi, Mozambique, Pakistan and India will all follow in 2023.
- In April we there was a new intake of 20 participants, from 17 nations, for the Joshua Journey leadership development programme. There will also be a new Senior Leaders Course, with 18 participants from 15 nations.

## Field Ministries

- The Field Ministries Division will continue to support fields to see “vibrant communities of Jesus followers”. This will particularly involve working with regional leaders in the roll-out of a mission-critical tool, called the ‘VCJF cycle’ across OM.
- The next phase of the mobilisation work, scheduled for 2023 includes running a series of pilot projects within the parameters of the determined strategic initiatives.
- For our tracking and mapping work, we expect in 2023 to move to start work on a next stage in this, looking further relevant metrics, as well as continuing to expand the qualitative aspects of our tracking.

## 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 2022, totalling £19,074,429 (2021 - £20,656,981) 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.

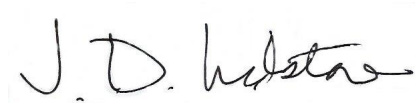
## AUDITORS

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 14<sup>th</sup> December 2023 and signed on its behalf by:



By order of The Board  
Julyan Lidstone (Director)  
Date: 14 December 2023

# **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 2022 which comprise Statement of Financial Activities, Balance Sheet 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 31 December 2022 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 trustees' report which includes 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 in the trustees' report has been prepared in accordance with applicable legal requirements.
- 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 Report of the Trustees and from the requirement to prepare a Strategic Report.

## **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 strategic report or 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.

## **Responsibilities of Trustees**

As explained more fully in the trustee' responsibilities statement set out on page 9, the trustees 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 might have a material effect on the financial statements: Charities Act 2011, UK tax legislation, anti-bribery, corruption and fraud and money laundering.

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 and the Charities Statement of Recommended Practice.

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 income recognition (which we pinpointed to the cut-off assertion), the classification of income and expenditure, the useful economic lives of fixed assets, the carrying value of certain fixed assets 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](http://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.

  
Michael Speight (Dec 18, 2023 12:18 GMT)

Michael Speight (Senior Statutory Auditor) for and on behalf of Mazars LLP  
Chartered Accountants and Statutory Auditor

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

Date: 18-Dec-2023

# 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, was originally 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 initial carry value of £1.5m. Therefore the decision was made in 2021 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. This value has been maintained at 31 December 2022.

In November 2022 the Board agreed to loan GBA Ships e.V. the sum of US\$1,800,000 (£1,487,603), interest free, and repayable in full by 30<sup>th</sup> October 2025. Early repayment can be required by giving 12 months' notice. The loan was provided to enable OM Ships to prepare M.V. Doulos Hope for ministry. The directors have made the decision to disclose this loan as a concessionary loan as it is made to further the objects of OM International, and supports the work of OM worldwide. The loan is secured by a mortgage over M.V. Doulos Hope, registered in November 2023.

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.

## 11 CONCESSIONARY LOANS

Concessionary loans are valued at par value, and reviewed annually for indicators of impairment.

## **ACCOUNTING POLICIES**

### **12 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.

### **13 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.

### **14 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.

# STATEMENT OF FINANCIAL ACTIVITIES

Including income and expenditure account

Year ended 31 December 2022

|  | Notes | Unrestricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | 2022<br>Total<br>Funds<br>£ | 2021<br>Total<br>Funds<br>£ |
|--|-------|----------------------------|--------------------------|-----------------------------|-----------------------------|
| <b>INCOME</b>  |       |                            |                          |                             |                             |
| Donations and gifts  | 2     | 3,843,216                  | 1,381,099                | 5,224,315                   | 4,766,682                   |
| Income from investments                                    |       | 27,686                     | -                        | 27,686                      | 2,665                       |
| Income from charitable activities                          | 2     | 803,502                    | 82,091                   | 885,593                     | 305,789                     |
| Other income   | 2     | 1,625                      | -                        | 1,625                       | 6,099                       |
| <b>Total Income</b>  |       | <b>4,676,029</b>           | <b>1,463,190</b>         | <b>6,139,219</b>            | <b>5,081,235</b>            |
| <b>EXPENDITURE</b>   |       |                            |                          |                             |                             |
| <b>Costs of Raising Funds</b>                              |       |                            |                          |                             |                             |
| Costs of generating voluntary income                       |       | 188,791                    | 33,342                   | 222,133                     | 316,148                     |
| <b>Expenditure on Charitable Activities</b>                | 3     |                            |                          |                             |                             |
| Costs of charitable activities                             |       | 4,372,512                  | 1,456,020                | 5,828,532                   | 5,212,865                   |
| <b>Total Expenditure</b>                                   |       | <b>4,561,303</b>           | <b>1,489,362</b>         | <b>6,050,665</b>            | <b>5,529,013</b>            |
| <b>Net Income/(Expenditure) Before Transfers</b>           | 5     | 114,726                    | (26,172)                 | 88,554                      | (447,778)                   |
| <b>Gross Transfers between Funds</b>                       | 15    | 377,501                    | (377,501)                | -                           | -                           |
| <b>Net Income/(Expenditure)</b>                            |       | <b>492,227</b>             | <b>(403,673)</b>         | <b>88,554</b>               | <b>(447,778)</b>            |
| <b>Fund Balance brought forward as at 31 December 2021</b> |       | <b>3,352,960</b>           | <b>2,065,173</b>         | <b>5,418,133</b>            | <b>5,865,911</b>            |
| <b>Fund Balance carried forward as at 31 December 2022</b> | 15    | <b>3,845,187</b>           | <b>1,661,500</b>         | <b>5,506,687</b>            | <b>5,418,133</b>            |

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

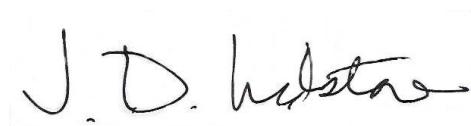
As at 31 December 2022

Company Number 05649412

|  | Notes | £                | 2022<br>£        | 2021<br>£        |
|--|-------|------------------|------------------|------------------|
| <b>Fixed Assets</b>                          |       |                  |                  |                  |
| Tangible assets                              | 8     | 1,244,945        |                  | 1,268,600        |
| Concessionary Loan                           | 9     | <u>1,487,603</u> |                  | <u>-</u>         |
| <b>TOTAL FIXED ASSETS</b>                    |       |                  | 2,732,548        | 1,268,600        |
| <b>Current assets</b>                        |       |                  |                  |                  |
| Debtors                                      | 10    | 459,227          |                  | 3,956,470        |
| Cash at bank and in hand                     |       | <u>2,395,304</u> |                  | <u>280,502</u>   |
|  |       | 2,854,531        |                  | 4,236,972        |
| <b>CREDITORS:</b>                            |       |                  |                  |                  |
| Amounts falling due within one year          | 11    | <u>(80,392)</u>  |                  | <u>(87,439)</u>  |
| <b>NET CURRENT ASSETS</b>                    |       |                  | <u>2,774,139</u> | <u>4,149,533</u> |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b> |       |                  | 5,506,687        | 5,418,133        |
| <b>CREDITORS:</b>                            |       |                  |                  |                  |
| Amounts falling due after one year           |       |                  | <u>-</u>         | <u>-</u>         |
|  |       |                  | <u>5,506,687</u> | <u>5,418,133</u> |
| <b>FUNDS</b>                                 |       |                  |                  |                  |
| Unrestricted Funds – Designated              | 15&16 |                  | 1,685,763        | 1,688,808        |
| – General                                    | 15&16 |                  | 2,159,424        | 1,664,152        |
| Restricted Funds                             | 15&16 |                  | <u>1,661,500</u> | <u>2,065,173</u> |
|  |       |                  | <u>5,506,687</u> | <u>5,418,133</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 14<sup>th</sup> December 2023 and signed on their behalf by



Julyan Lidstone  
Director

# STATEMENT OF CASH FLOWS

Year Ended 31 December 2022

|  | Note | 2022<br>£   | 2021<br>£ |
|--|------|-------------|-----------|
| <b>CASH GENERATED FROM/ (UTILISED BY) OPERATING ACTIVITIES</b> | 19   | 3,610,390   | (925,829) |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                    |      |             |           |
| Interest received  |      | 27,686      | 2,665     |
| Interest paid  |      | -           | -         |
| Purchase of tangible fixed assets                              |      | (39,671)    | (24,577)  |
| Proceeds from sale of tangible fixed assets                    |      | 4,000       | 8,938     |
| <b>NET CASH UTILISED BY INVESTING ACTIVITIES</b>               |      | (7,985)     | (12,974)  |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                    |      |             |           |
| Concessionary Loan given                                       |      | (1,487,603) | -         |
| <b>NET CASH UTILISED BY FINANCING ACTIVITIES</b>               |      | (1,487,603) | -         |
| <b>INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>        |      | 2,114,802   | (938,803) |
| <b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>  |      | 280,502     | 1,219,305 |
| <b>TOTAL CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>  |      | 2,395,304   | 280,502   |

# NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 December 2022

## 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

|   | 2022<br>£ | 2021<br>£ |
|---|-----------|-----------|
| <b>Unrestricted Voluntary Income</b>        |           |           |
| Gifts                                       | 190,068   | 170,665   |
| Gifts for support of personnel              | 1,477,935 | 1,520,306 |
| Administration income on OM gifts worldwide | 2,057,442 | 1,809,727 |
| Grants from OM fields                       | 117,089   | 114,717   |
| Other gift income                           | 682       | 10,086    |
| Total Unrestricted Voluntary Income         | 3,843,216 | 3,625,501 |
| <b>Restricted Voluntary Income</b>          |           |           |
| Gifts for ICT                               | 1,283,782 | 857,902   |
| Grants for ICT from OM fields               | 96,260    | 282,797   |
| Other gift income                           | 1,057     | 482       |
| Total Restricted Voluntary Income           | 1,381,099 | 1,141,181 |

## ANALYSIS OF INCOME FROM CHARITABLE ACTIVITIES

|   | 2022<br>£ | 2021<br>£ |
|---|-----------|-----------|
| <b>Unrestricted Income from charitable activities</b> |           |           |
| Audio Visual services and sales                       | 81,313    | 47,270    |
| Rent income   | 50,291    | 43,637    |
| Registration fees                                     | 271,789   | 71,986    |
| International finance costs recharged                 | 44,005    | 39,671    |
| ICH contribution to cover expenses                    | 5,589     | 5,435     |
| Exchange gains  | 338,558   | 48,230    |
| Other income  | 11,957    | 5,268     |
| Total Unrestricted income from charitable activities  | 803,502   | 261,497   |
| <b>Restricted Income from charitable activities</b>   |           |           |
| Registration Fees                                     | 5,509     | 21,534    |
| Financial Development services                        | 24,464    | 22,758    |
| Exchange gains  | 52,118    | -         |
| Total Restricted income from charitable activities    | 82,091    | 44,292    |

Income from charitable activities totalled £885,593 (2021 -£305,789), of which £401,600 (2021 - £185,921) came from outside the UK.

## ANALYSIS OF OTHER INCOME

|  | 2022<br>£ | 2021<br>£ |
|--|-----------|-----------|
| Depreciation recovered on sale of assets | 1,594     | 4,027     |
| Capital gain on sale of fixed assets     | 31        | 2,072     |
| Total other income                       | 1,625     | 6,099     |

# NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 December 2022

## 3 ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

|   | Unrestricted     | Restricted       | 2022<br>£        | 2021<br>£        |
|---|------------------|------------------|------------------|------------------|
| <b>Support to other Missions</b>  |                  |                  |                  |                  |
| 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  | 645,652          | 294,882          | 940,534          | 682,827          |
| Personnel   | 2,419,499        | 26,510           | 2,446,009        | 2,219,901        |
| Travel  | 274,924          | 162,441          | 437,365          | 83,945           |
| Grants made (note 4)  | 476,514          | 924,455          | 1,400,969        | 1,143,402        |
| Depreciation  | 45,965           | -                | 45,965           | 48,297           |
| Exchange losses   | -                | -                | -                | 2,919            |
| Impairment losses   | -                | -                | -                | 800,000          |
| Total Support to other Missions   | 3,862,554        | 1,408,288        | 5,270,842        | 4,981,291        |
| <b>Costs of generating income</b>   |                  |                  |                  |                  |
| Audio Visual department   | 105,373          | -                | 105,373          | 70,024           |
| Depreciation – Audio Visual department  | 14,985           | -                | 14,985           | 17,043           |
| ICH   | 29,573           | -                | 29,573           | 11,131           |
| International Leaders Meeting   | 228,233          | -                | 228,233          | 20,942           |
| International Personnel courses   | 37,250           | -                | 37,250           | 48,966           |
| Global Services   | 82,922           | -                | 82,922           | 44,700           |
| TeenStreet  | -                | 5,509            | 5,509            | -                |
| Financial Development   | -                | 42,223           | 42,223           | 7,266            |
| Total costs of generating income  | 498,336          | 47,732           | 546,068          | 220,072          |
| <b>Governance costs</b>   |                  |                  |                  |                  |
| Audit and accountancy fees  | 11,622           | -                | 11,622           | 11,502           |
| Total governance costs  | 11,622           | -                | 11,622           | 11,502           |
| <b>TOTAL EXPENDITURE ON CHARITABLE ACTIVITIES</b>   | <b>4,372,512</b> | <b>1,456,020</b> | <b>5,828,532</b> | <b>5,212,865</b> |

## 4 GRANTS MADE

Grants made during the year totalled £1,400,969 (2021 - £1,143,402). 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:

|                                       | 2022<br>£ | 2021<br>£ |
|---------------------------------------|-----------|-----------|
| Depreciation on Tangible Fixed Assets | 60,950    | 65,340    |
| Impairment losses                     | -         | 800,000   |
| <b>Auditor's Remuneration:</b>        |           |           |
| Audit Fee                             | 11,622    | 11,502    |
| Non-Audit Fee – other services        | 7,380     | 7,440     |
| Total Remuneration                    | 19,002    | 18,942    |

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 2022

## 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\$35 million received from, and paid out to, OM fields. In total ICH has facilitated the transfer of US\$70 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:

|  | 2022       | 2021       |
|--|------------|------------|
| Exchange rates used for conversion of USD balance to GBP | 1.210      | 1.3540     |
|  | £          | £          |
| Bank balances  | 15,331,893 | 17,333,376 |
| Debtors (amounts due from OM fields)                     | 3,742,536  | 3,323,605  |

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

|  | 2022    | 2021    |
|--|---------|---------|
|  | £       | £       |
| Salaries and wages                         | 667,767 | 726,983 |
| Employer's National Insurance Contribution | 50,966  | 49,513  |
| Pension Contributions                      | 18,651  | 19,166  |
| Total                                      | 737,384 | 795,662 |

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 £120,403 (2021: £102,744).

As at 31 December 2021 there were 37 employees on the payroll. The average number of persons employed by the company during the year was 37. The employees were in the following roles:

|                           | 2022   | 2021   |
|---------------------------|--------|--------|
|                           | Number | Number |
| Support to other missions | 29     | 31     |
| Administration            | 5      | 7      |
| Management                | 0      | 2      |
| Finance                   | 3      | 3      |
| Total                     | 37     | 43     |

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 2022 these totalled £9,145 for travel expenses (2021 - £50) and £8,374 for accommodation costs (2021 - £nil), for twelve directors. Due to the Covid pandemic all board meeting in 2021 were held virtually.

Also involved in the work of the charity were 2 self-supporting volunteers, and 61 people resident overseas.

# NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 December 2022

## 8 TANGIBLE FIXED ASSETS

|                     | Long<br>Leasehold<br>Land &<br>Buildings<br>£ | Outfitting<br>of Buildings<br>£ | Vehicles<br>£ | Fixtures,<br>Fittings &<br>Equipment<br>£ | TOTAL<br>£ |
|---------------------|---|---------------------------------|---------------|---|------------|
| Cost:               |   |                                 |               |   |            |
| At 1 January 2022   | 2,228,119                                     | 141,580                         | 12,157        | 558,939                                   | 2,940,795  |
| Additions           | -   | -                               | -             | 39,671                                    | 39,671     |
| Disposals           | -   | -                               | -             | (12,862)                                  | (12,862)   |
| At 31 December 2022 | 2,228,119                                     | 141,580                         | 12,157        | 585,748                                   | 2,967,604  |
| Depreciation:       |   |                                 |               |   |            |
| At 1 January 2022   | 1,018,434                                     | 141,580                         | 12,157        | 500,024                                   | 1,672,195  |
| Disposals           | -   | -                               | -             | (10,486)                                  | (10,486)   |
| Charge for the year | 14,562  | -                               | -             | 46,388                                    | 60,950     |
| Impairment losses   | -   | -                               | -             | -   | -          |
| At 31 December 2022 | 1,032,996                                     | 141,580                         | 12,157        | 535,926                                   | 1,722,659  |
| At 31 December 2022 | 1,195,123                                     | -                               | -             | 49,822                                    | 1,244,945  |
| At 1 January 2022   | 1,209,685                                     | -                               | -             | 58,915                                    | 1,268,600  |

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 was made in 2021 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 CONCESSIONARY LOAN

|  | 2022<br>US\$ | 2021<br>US\$ |
|--|--------------|--------------|
| Cost at 1 January 2022                 | -            | -            |
| Loans made                             | 1,800,000    | -            |
| Repayments                             | -            | -            |
| Balance at 31 December 2022            | 1,800,000    | -            |
| Balance at 31 December 2022 in GBP (£) | 1,487,603    | -            |

In November 2022 the Board agreed to loan GBA Ships e.V. the sum of US\$1,800,000 (£1,487,603), interest free, and repayable in full by 30<sup>th</sup> October 2025. Early repayment can be required by giving 12 months' notice. The loan was provided to enable OM Ships to prepare M.V. Doulos Hope for ministry. The loan is secured by a mortgage over M.V. Doulos Hope, registered in November 2023.

# NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 December 2022

## 10 DEBTORS

|                                       | 2022<br>£      | 2021<br>£        |
|---------------------------------------|----------------|------------------|
| <b>Due within one year:</b>           |                |                  |
| Amounts due from connected charities  | 278,543        | 3,828,813        |
| Prepayments                           | 153,068        | 95,115           |
| Loans receivable                      | 6,112          | 7,473            |
| Other debtors                         | 21,504         | 18,254           |
|                                       | <u>459,227</u> | <u>3,949,655</u> |
| <b>Due within more than one year:</b> |                |                  |
| Loans receivable                      | -              | 6,815            |
| <b>TOTAL DEBTORS</b>                  | <u>459,227</u> | <u>3,956,470</u> |

## 11 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

|                                    | 2022<br>£     | 2021<br>£     |
|------------------------------------|---------------|---------------|
| Accruals                           | 10,500        | 10,500        |
| Social Security and other taxes    | 12,448        | 12,236        |
| Pension contributions              | 5,487         | 5,228         |
| Accounts payable                   | 41,612        | 20,290        |
| Amounts due to connected charities | -             | 38,525        |
| Deferred income                    | 10,345        | 660           |
|                                    | <u>80,392</u> | <u>87,439</u> |

## 12 FINANCIAL INSTRUMENTS

|  | 2022<br>£        | 2021<br>£        |
|--|------------------|------------------|
| Financial assets measured at amortised cost      | <u>3,281,365</u> | <u>3,861,355</u> |
| Financial liabilities measured at amortised cost | <u>69,892</u>    | <u>76,939</u>    |
| Cash and cash equivalents                        | <u>2,395,304</u> | <u>280,502</u>   |

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

Financial liabilities comprise loans and accounts payable.

## 13 DEFERRED INCOME

|                             | 2022<br>£     | 2021<br>£  |
|-----------------------------|---------------|------------|
| Balance at 1 January 2022   | 660           | 5,040      |
| Amount released to income   | (660)         | (5,040)    |
| Amount deferred in the year | 10,345        | 660        |
| Balance at 31 December 2022 | <u>10,345</u> | <u>660</u> |

Deferred income comprises funding and personal support received in advance.

# NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 December 2022

## 14 CALLED UP SHARE CAPITAL

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

## 15 STATEMENT OF FUNDS

|                              | At 31<br>December<br>2021<br>£ | Income<br>£      | Expenditure<br>£   | Utilised/<br>transfers<br>£ | At 31<br>December<br>2022<br>£ |
|------------------------------|--------------------------------|------------------|--------------------|-----------------------------|--------------------------------|
| <b>Unrestricted</b>          |                                |                  |                    |                             |                                |
| General                      | 1,664,152                      | 4,533,273        | (4,378,207)        | 340,206                     | 2,159,424                      |
| Designated – Global Impact   | 420,208                        | 142,756          | (122,146)          | -                           | 440,818                        |
| Designated – Asset Fund      | 1,268,600                      | -                | (60,950)           | 37,295                      | 1,244,945                      |
| Total unrestricted funds     | 3,352,960                      | 4,676,029        | (4,561,303)        | 377,501                     | 3,845,187                      |
| <b>Restricted</b>            |                                |                  |                    |                             |                                |
| Financial Development        | 193,387                        | 24,464           | (52,109)           | -                           | 165,742                        |
| Organisational Development   | 267,586                        | -                | (94,129)           | 82,237                      | 255,694                        |
| Global Services Funds        | 161,329                        | 32,544           | (13,093)           | (55,163)                    | 125,617                        |
| Field Ministries             | 531,598                        | 193,216          | (655,512)          | 49,484                      | 118,786                        |
| International Director Funds | 37,403                         | -                | (14,731)           | -                           | 22,672                         |
| Muslim Ministries Ambassador | 4,133                          | -                | (510)              | 1,000                       | 4,623                          |
| Teenstreet Excellence        | 161,948                        | 142,426          | (262,606)          | 33,235                      | 75,003                         |
| Global Capacity Fund         | 460,965                        | 1,044,657        | (323,177)          | (519,016)                   | 663,429                        |
| People Care Fund             | 104,121                        | -                | (2,495)            | -                           | 101,626                        |
| COVID-19 Fund                | 30,051                         | 14,164           | (44,215)           | -                           | -                              |
| Global Brand Development     | 106,052                        | -                | (21,026)           | 30,722                      | 115,748                        |
| General Restricted Funds     | 6,600                          | 11,718           | (5,758)            | -                           | 12,560                         |
| Total restricted funds       | 2,065,173                      | 1,463,189        | (1,489,361)        | (377,501)                   | 1,661,500                      |
| <b>TOTAL FUNDS</b>           | <b>5,418,133</b>               | <b>6,139,218</b> | <b>(6,050,664)</b> | <b>-</b>                    | <b>5,506,687</b>               |

### 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 £37,295 from the General Fund to the Designated-Asset Fund represents the net increase in value of assets, after the provision of depreciation of £60,950.

The net transfer of £377,501 from various Restricted funds to General Unrestricted funds represents the allocation of restricted funds to cover operational expenses incurred in unrestricted cost centres. The expenses meet the requirements applicable to those restricted funds.

# NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 December 2022

## 15 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 Capacity Fund. 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.
- MMA (Muslim Ministries Ambassador) and Teenstreet 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 the balance distributed during 2022.

## 16 ANALYSIS OF NET ASSETS BETWEEN FUNDS AS AT 31 DECEMBER 2022

|                           | <b>Tangible<br/>Fixed<br/>Assets</b> | <b>Concessionary<br/>Loan</b> | <b>Net Current<br/>Assets</b> | <b>Long Term<br/>Creditors</b> | <b>Total</b> |
|---------------------------|--------------------------------------|-------------------------------|-------------------------------|--------------------------------|--------------|
|                           | £                                    | £                             | £                             | £                              | £            |
| <b>Unrestricted Funds</b> |                                      |                               |                               |                                |              |
| Asset Fund                | 1,244,945                            | -                             | -                             | -                              | 1,244,945    |
| Global Impact Fund        | -                                    | -                             | 440,818                       | -                              | 440,818      |
| General Fund              | -                                    | 1,487,603                     | 671,821                       | -                              | 2,159,424    |
| Total Unrestricted Funds  | 1,244,945                            | 1,487,603                     | 1,112,639                     | -                              | 3,845,187    |
| <b>Restricted Funds</b>   | -                                    | -                             | 1,661,500                     | -                              | 1,661,500    |
| <b>TOTAL FUNDS</b>        | 1,244,945                            | 1,487,603                     | 2,774,139                     | -                              | 5,506,687    |

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

|                           | <b>Tangible<br/>Fixed Assets</b> | <b>Investments</b> | <b>Net Current<br/>Assets</b> | <b>Long Term<br/>Creditors</b> | <b>Total</b> |
|---------------------------|----------------------------------|--------------------|-------------------------------|--------------------------------|--------------|
|                           | £                                |                    | £                             | £                              | £            |
| <b>Unrestricted Funds</b> |                                  |                    |                               |                                |              |
| 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    |
| <b>Restricted Funds</b>   | -                                | -                  | 2,065,173                     | -                              | 2,065,173    |
| <b>TOTAL FUNDS</b>        | 1,268,600                        | -                  | 4,149,533                     | -                              | 5,418,133    |

# NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 December 2022

## 17 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 2022, totalling £19,074,429 (2021 - £20,656,981) 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.

## 18 COMMITMENTS

At 31 December 2022 the charity's total commitments under non-cancellable operating leases was as follows:

|                   | 2022<br>£ | 2021<br>£ |
|-------------------|-----------|-----------|
| Within one year   | 15,749    | 15,640    |
| Two to five years | 48,000    | 48,000    |
| Over five years   | 19,000    | 31,000    |
| Total             | 82,749    | 94,640    |

Lease payments recognised as an expense during the year totalled £26,888 (2021 - £26,420).

## 19 RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES

|   | 2022<br>£        | 2021<br>£        |
|---|------------------|------------------|
| Net movement in funds   | 88,554           | (447,778)        |
| Interest paid   | -                | -                |
| Interest received   | (27,686)         | (2,665)          |
| Depreciation charges  | 60,950           | 65,340           |
| Profit on disposal of fixed assets                                | (1,624)          | (6,100)          |
| Loss on sale of fixed assets                                      | -                | -                |
| Impairment losses   | -                | 800,000          |
| Decrease (Increase) in debtors                                    | 3,497,243        | (1,282,613)      |
| (Decrease) in creditors   | (7,047)          | (52,013)         |
| <b>Net cash generated from/(utilised by) operating activities</b> | <b>3,610,390</b> | <b>(925,829)</b> |

# NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 December 2022

## 20 ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS

|  | Net Funds as at<br>1 January<br>2022<br>£ | Cashflows in<br>the year<br>£ | Net Funds as at<br>31 December<br>2022<br>£ |
|--|---|-------------------------------|---|
| Cash at bank and in hand               | 280,502                                   | 2,114,802                     | 2,395,304                                   |
| <b>Total Cash and Cash Equivalents</b> | <b>280,502</b>                            | <b>2,114,802</b>              | <b>2,395,304</b>                            |

# NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 December 2022

## 21 PRIOR YEAR COMPARATIVE SOFA

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